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## **East Europe**

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# East Europe

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8 October 1992

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## ODS, HZDS Intelligence Service Deal Noted

92CH0939A Prague *RESPEKT* in Czech  
No 35, 1992 p 4

[Report prepared by Jaroslav Spurny: "Position in Exchange for Date of Separation: ODS and HZDS Decide on Head of Secret Service"]

[Text] One controversial issue keeps surfacing in the talks between the Czech and Slovak political representatives about the future constitutional organization that sends a shock wave through the political scene from time to time: The Federal Intelligence Service. Or, to be more specific, its staffing and how it can be controlled.

The most recent discussions about the FBIS [Federal Security and Information Service] were held in Brno last week. The Movement for a Democratic Slovakia [HZDS] was granted the right to staff the position of head of the secret service in exchange for a date for the division of this service and a date for the separation of the states.

### Basic Conflicts

For a long time, Vladimir Meciar has been saying that the FBIS was behind the "campaign against him and against Slovakia." He even brought a suit against the secret service for illegal surveillance, and he accused its branch office in Kosice of planning an assassination. The military prosecutor's office is investigating his charges.

One of the first postelection demands made by the HZDS was the dismissal of the head of the FBIS, Stefan Bacinsky. The Civic Democratic Party [ODS] acceded to this demand. In doing so, it had the following idea in mind: Before S. Bacinsky would be dismissed, both parties would propose deputies for the FBIS who would oversee the unproblematic assignment of services to the republican Ministries of the Interior. Bacinsky would continue in his function solely because the only person who may officially appoint deputies is the head of the FBIS.

Three weeks ago, the members of the Federal Assembly elected members of a Special FS [Federal Assembly] Agency to Control the Activities of the FBIS. The Civic Democratic Party proposed Stanislav Devaty for the position of chairman of the commission. The latter was not elected in the plenary session, primarily due to the members of the HZDS. When the leftist members suggested Pavel Dostal (CSSD [Czechoslovak Social Democratic Party]) for the position of chairman of the commission, the representatives of the ODS refused to participate in any further parliamentary talks and the session was terminated. The Special Control Agency could not go to work because, according to the law, its meetings must be convened by the chairman, and he was not elected.

### FBIS Is the Key to Further Agreements

The turning point in the Czech side's way of thinking came about 14 days ago. According to some FBIS representatives, not only did the Czech political representatives have no plan for the Czech secret service up to that time; they also had no concept about the future activities assigned to the FBIS. According to our information, during the meeting of the ODS's political committee, the decision was made to support the secret service. The result was the appointment of S. Devaty as the deputy of the FBIS.

However, S. Devaty was unacceptable for the representatives of Meciar's movement. But the Czech deputy is proposed by the Czech Government, and staffing this position is exclusively up to it. At that time, the Slovak FBIS deputy was still V. Palko, who had been appointed during Carnogursky's administration.

On Friday, 21 August, V. Meciar decided to reject further talks between the ODS and HZDS: The official reasons he gave were that the Czechs had violated the agreement, that they had not dismissed S. Bacinsky and had installed S. Devaty. However, four days later, the Slovak prime minister, V. Meciar, unexpectedly changed his mind. During the Wednesday meeting with the ODS he gave another reason why he did not want to meet with V. Klaus: He maintained that three FBIS employees, who had been examining some documents illegally, had been detained in the Slovak National Council's building. He did not say when this allegedly took place nor did he mention what the documents were. According to the FBIS's investigators, who looked into the charge during the past few days, no such event occurred.

### Information for Meciar

During Wednesday's political talks between the ODS and HZDS the Federal Intelligence Service was discussed first. The Czechs acceded that Slovakia could staff the office of head of the FBIS. Colonel Pavol Slovak, attorney, head of the Okres Command of the Police Department in Cadca until last week, is to be the new boss of the secret service as of Tuesday. In return, the HZDS decided to accept S. Devaty as deputy.

Pavol Slovak has worked in the police force since 1965. During the second half of the 1970's he graduated from the SNB [National Security Corps] college. Starting in 1980, he was chief of Public Security in Cadca, and then in 1990 chief of the SNB Kraj Administration in Banska Bystrica. In 1991 he attended a police course in the United States.

In return for the ODS's acceding to a Slovak head of the secret service, V. Meciar promised that the members of the HZDS would support the draft to annul the law on the FBIS at the next meeting of the Federal Assembly (29 September 1992) and that the Slovaks will accept 1 January 1993 as the earliest deadline for the separation of the states.

According to experts, V. Meciar is interested in the FBIS for one reason only: He has now been cut off from all information ("intelligence resources"), gathered by the FBIS for almost two years. If he proposed the head, it will guarantee him access to the archives and documents. In addition, it was allegedly agreed that the Slovaks would be provided with copies of all FBIS documents.

#### **If the Law on the Termination of the Federation Is Not Passed**

The latest agreement on the FBIS brings several dangers for the Czechs. The Slovak deputy, V. Palko, will leave his office on the last day of August and, according to the political agreement, no new Slovak deputy will be appointed. However, no one can prevent the Slovak Government and the FBIS from ultimately installing their own deputy. This would give Slovakia considerable control over the FBIS. In addition, both the head and the deputies will appoint the heads of the departments and subdepartments. Therefore this could lead to massive personnel changes in the service. If the members of the HZDS decide not to pass the agreement on annulling the law on the FBIS, Meciar's party will be able to gain a clear advantage, at least up to the separation of the states—above all, it will make it impossible for the Czechs to use the structure of the FBIS as a basis for a Czech secret service.

In addition, if the HZDS does not support the Law on the Termination of the Federation, it will have staffed three key positions in the state: the chairman of the Federal Assembly, the head of the Secret Service, and the minister of defense, who is in charge of two additional secret services. This is enough for the HZDS, together with the Czech left wing, to acquire decisive power over the whole federation. It will then more or less dictate the conditions for the separation of the states. Assuming that a separation will still take place under such circumstances.

#### **More on Federal Security and Information Service**

92CH0940A Prague *RESPEKT* in Czech  
No 35, 1992 p 2

[Article by Vladimir Mlynar: "ODS Believes Meciar: Czechoslovakia Will Cease To Exist 1 January 1993"]

[Text] The reasons that led Vladimir Meciar first to decide to cancel and later to reconfirm the meeting with the chairman of the ODS [Civic Democratic Party] last week have become known at last. Allegedly, not long ago, three members of the FBIS [Federal Security and Information Service] were detained in the Slovak National Council's building just as they were "studying some kind of documents." The impulsive chairman of the HZDS [Movement for a Democratic Slovakia] interpreted this as a personal attack, and reacted in his own typical way. Finally he accepted Michal Kovac's explanation that this was not some "ODS action," and thus the talks were allowed to proceed—in fact, one day earlier than originally planned.

This sixth successive meeting finally satisfied both parties: On New Year's Day 1993 two independent states will come into being to replace the CSFR and will be joined by a customs union and a single currency for the time being. Thus a fact was stated openly, which every "beer-hall politician," with the exception of the Czech left, already knows: The Czechoslovak state no longer exists.

#### **Trading the FBIS**

According to available information, the pragmatic attitude of Vaclav Klaus, who acceded to the HZDS's categorical demand to staff the position of the head of the secret service, made the agreement possible. According to the leaders of the ODS, their delegation had no choice because Vladimir Meciar was adamant about the issue of the head of the FBIS: Either he would appoint the head of the service, or there would be no more talks. Under these circumstances, the Czechs decided to yield, and actually "traded" the setting of the date for the termination of the CSFR for the FBIS archives in a calm discussion.

The fact that—in the opinion of the ODS ministers—the secret service has not proved its worth during the two years of its existence played an important role in Vaclav Klaus's (for many people surprising) attitude. The people who receive the results of its work, in fact, say that it merely provides "unsubstantiated gibberish" with zero information value instead of high-quality intelligence data. The leaders of the ODS also reject the objection that Vladimir Meciar may not keep to the agreement in regard to the FBIS. According to the vice chairman of the party, Miroslav Macek, to date the HZDS has always observed signed agreements to the letter. Allegedly problems only arise when the issue under discussion is not resolved in detail and there is room for divergent interpretations. Allegedly this did not happen in Brno this time.

#### **Historical Opportunity.**

Therefore, if we assume that both parties will fulfill what has been agreed, a draft of the constitutional law on the termination of the federation should be placed on the Federal Assembly's agenda some time toward the end of October. The law itself—already passed by the Federal Government—is only a few lines long and permits the termination of the state of Czechoslovakia in four constitutional ways: a referendum, an agreement between the national councils, the acceptance of a Federal Assembly declaration on the termination of the federation, or a unilateral secession by one of the republics. At this time the most realistic option seems to be the Federal Assembly declaration on the termination of the CSFR. This will give the members a rare opportunity to be entered into the annals of history: The human race has encountered few parliaments that have dissolved themselves.

After the constitutional talks between the ODS and HZDS have been transferred to parliamentary soil, one more thing will happen. Decisions on the dismemberment of the CSFR will be entrusted to democratically elected members including the opposition, which will thus lose its main slogan, that victorious parties "break up the state without having the mandate to do so." It will be interesting to see what arguments the left wing will use this time about the unconstitutionality of such a process. It truly does not have much room left for maneuvering. After all, opposing the adoption of a law, which would enable the preservation of the much-demanded constitutionality, would mean driving the entire country into the chaos of spontaneous disintegration.

The Liberal Social Union (LSU) was the first in the Czech left wing to understand this, and it has already opened the door toward changing its former policies. It did so not only through a statement by its chairman, but also through the words of member Ladislav Dvorak who said that his party would certainly "protect Czech interests."

The attitude of another political entity, the so-called constructive left—the Czechoslovak Social Democratic Party (CSSD)—is traditionally much less flexible. Horak's party, rocked by internal dissention, obviously lacks sufficient political insight. Yet the social democrats could have realized the consequences of such an attitude from the fate of the Civic Movement.

#### A Common Currency Is an Illusion

In order to pass any constitutional laws, a three-fifths majority of the members of the Chamber of People and of the Chamber of Nations is needed, in which the Czech and the Slovak sections vote separately and where the suspension of majority rule is in effect. There is no problem with passing the Law on the Termination of the Federation in the 150-member Chamber of People: The ODS, the KDU-CSL [Christian Democratic Union-Czechoslovak People's Party], the HZDS, and the SNS [Slovak National Party] clubs will easily provide the necessary majority. In the Czech section of the Chamber of Nations, the right lacks three votes to implement constitutional regulations, but it will almost certainly obtain them from among the eliminated Sladek followers, from the LSU, or from the CSSD. The same applies to the Slovak section: Meciar's HZDS can obtain the missing four votes without great difficulty from the Party of the Democratic Left.

Therefore, unless there are some unexpected reversals or a violation of the Brno agreements, it is highly probable that the legal road toward terminating Czechoslovakia, which is slowly disintegrating, will be opened. Most people on both sides of the future Czecho-Slovak border will clearly breathe a sigh of relief and will quickly adapt to life in the planned customs union with a common currency. Assuming that the HZDS and the ODS will continue to keep to their election programs, however, not even the common currency will exist for long. One does not need an economic education to predict that we will soon have not only separate states but also separate currencies.

**Romanian Show Trials, Proceedings Discussed****Writer Suto Interviewed**

92BA1474A Budapest HETI MAGYARORSZAG  
in Hungarian 11 Sep 92 p 20

[Interview with Andras Suto, writer and Hungarian minority leader, by Mihaly Andras Beke; place and date not given: "Show Trials in Romania; Andras Suto on Anti-Hungarian Proceedings and the RMDSZ"]

[Text] [Beke] Series of new events stir up passions just before the Romanian elections. The most recent case is that of Pal Cseresznyes in Marosvasarhely [Tirgu Mures], in regard to which Andras Suto had publicly registered his protest. Why?

[Suto] The fact that an overt pogrom against Hungarians took place in Marosvasarhely in March 1990 is well known. The events should have been investigated objectively and with circumspection after the bloody attack, and presented to the public; they should have named those who had organized the program and all the guilty persons. This did not happen. The report submitted to the Council of Europe by competent Romanian circles concerning the Marosvasarhely events does not reflect the truth. The investigating committee (that included only a few Hungarians) did everything to falsify the events. Thereafter, local courts acting in this spirit began to hold to account the persons found guilty. The names of those who prepared the pogrom are still shrouded, but from among others forced to fight in self-defense, 50 Hungarians and Gypsies had already been imprisoned. In the course of these proceedings, Pal Cseresznyes was sentenced the other day to nine and a half years in prison and fined almost 1 million lei in damages. The sentence had been pronounced without appropriate proof, based on blurred video recordings and false witness testimonies, without considering the arguments presented by defense attorneys, in the spirit of taking political revenge. For this reason, I registered my public protest and above all, tried to call upon the RMDSZ [Democratic Union of Hungarians in Romania—UDMR in Romanian] to undertake a serious investigation of the Marosvasarhely events and of the cases of all the innocently convicted residents at last, and to do everything possible in conjunction with domestic and international human rights groups to remedy this injustice.

[Beke] The RMDSZ is conspicuously silent about the anti-Hungarian show trials in Oroszhegy [Dealu], Kezdivasarhely [Tirgu Secuiesc], Udvarhely [Odorheiu Secuiesc], and Marosvasarhely. As if they were on the defensive in general, as if they had surrendered their demands. The Hungarian University in Kolozsvar [Cluj Napoca] is no longer mentioned, there continues to be no Hungarian language school in Marosvasarhely, and the RMDSZ has removed the issue of autonomy from its agenda.

[Suto] It would be unfair to blame the RMDSZ leadership for not being able to realize our demand for

minority rights. Doing so has become impossible. But we must criticize the fact that the initial, vocal announcements of strategic plans have virtually been forgotten in the course of two and a half years. Virtually nothing is said anymore about certain fundamental goals. After Iliescu's statement a long time ago that raised hopes, the fact that a sudden turn on the Romanian side toward a chauvinist, paranoid nationalist policy now dominates a broad segment of Romanian leadership amounted to an unexpected blow from the standpoint of the RMDSZ and of Hungarians in Romania. It was impossible to completely recover from this blow, but this should not mean that the RMDSZ could not have recovered from this situation and that it could not have reinforced its own struggle for minority rights by taking another series of actions. The rampaging by fascistoid and paranoid nationalist forces that dominates Romanian domestic politics introduced a sense of uncertainty to our minority policy leadership, and this rendered the clear restatement of long-term goals impossible. In the absence of a long-term strategy and a minimum program we are now fishes gasping on the shore. It is impossible to recover from this crisis situation within a short period of time. In part because of the extraordinary danger presented by Romanian political life and which we must count on, and in part because imported political endeavors copied from Hungary have created such turmoil and rifts in the leadership that the process of cleansing is going to take longer than we think. In the course of two and a half years a party attracting the masses, complete with its apparatus, that represents our minority struggle, a version of the RMDSZ that still exists only in an embryonic stage at the county level could and should have been established. In this regard we may seriously fault more than one person whom I have high regard for as human beings, but who are going to be judged gravely as politicians by political scientists in the near future.

[Beke] What should be done?

[Suto] We should not expect the future to bring us our national minority rights! Those who represent the Hungarians of Romania should develop their own program, one that combines maximum endeavors with minimum goals. We should not be afraid of either clearly defining our goals, or of deploying every means we have in the political struggle!

**Romanian Activist's Views**

92BA1474B Budapest HETI MAGYARORSZAG  
in Hungarian 11 Sep 92 p 20

[Interview with Bogdan Cerghizan, executive secretary of the Christian Democratic National Peasant Party, Kolozsvar organization, by Mihaly Andras Beke; place and date not given: "Let's Talk About Autonomy Later"]

[Text] A great war is being waged for Romania today, according to Bogdan Cerghizan, the executive secretary of the Christian Democratic National Peasant Party,

Kolozsvár organization, and a member of the city council who had been elected as a candidate of the Democratic Convention.

[Beke] Does it not raise concern that part of Bukovina belongs to the Ukraine, while areas beyond the Dniester have never belonged to Romania?

[Cserghizán] We must reach an agreement based on dialogue and mutual understanding in the spirit of the EBEE [Conference on Security and Cooperation in Europe] process, moreover, we must also achieve a border adjustment. With peaceful means. Similarly in the case of Bukovina. And the people residing in the area beyond the Dniester must decide for themselves; one cannot rule out a popular referendum.

[Beke] What chance does the realization of your concepts have in the upcoming elections?

[Cserghizán] It is difficult to make predictions, the Romanian electorate is wavering. Several decades of totalitarian rule had a grave impact on the Romanian people. We must confront the moral degenerateness of the Romanian people, it has lost some of its moral attributes, such as faith. Nevertheless we have confidence in the wisdom of voters, in their sense of reality, and in acquiring 30-35 percent of the votes, a situation that could be definitive in changing the composition of parliament.

[Beke] Many people, including those who are not going to vote for Iliescu, claim that Iliescu has the best chance to win. How do you explain this?

[Cserghizán] I explain this with the lack of political culture. The majority does not want Iliescu, but the forces of inertia are working and there is a lack of courage. People are expecting a new revolution and do not realize that the revolution takes place in the voting booth. They do not realize that they hold the key to change. The media misinform the people, and they boycott the opposition newspapers. And the populace has become indifferent. It is mainly the young, who are very disappointed; they were the ones who created the revolution, they were the ones who died, they were the ones to be glorified, but then they found out that they were badly cheated. Those who did not leave the country turned away from politics. But we must not be concerned from the extremists taking power. The Romanian people are pious and tolerant, I do not believe....

[Beke] What is your position regarding nationalities issues?

[Cserghizán] In our party's view, every nationality should play its own, well-defined role. We are pleased that a Hungarian minority resides in Romania. It could help us in becoming better acquainted with the neighboring Hungarian nation. We, Romanians and Hungarians are destined to understand and to cooperate with each other because we are surrounded by a Slavic ocean. Our party

advocates mutual understanding. One of our basic principles pertains to enlightened patriotism, one that rules out chauvinism and intolerance. We want peace and understanding, together with respect for all the rights prescribed in international agreements relative to national minorities residing on Romanian land.

**Lack of Reaction to Csurka Study Analyzed**  
*93CH0016B Budapest HETI MAGYARORSZAG*  
*in Hungarian 25 Sep 92 p 4*

[Article by MDF Parliamentary Representative Zoltan Speidl under the rubric "Parliamentary Corridor"]

[Text] Many people might be offended by the fact that the MDF [Hungarian Democratic Forum] parliamentary group meeting at Balatonkenese to discuss Istvan Csurka's famous/infamous study has not made any decision at all. There remained a Debreczeni, and there remained a Csurka. Those who disapproved of the fact that no one had distanced himself from anyone in the statement, that no one had walked out of the meeting, obviously felt this way because they could hardly wait for the strongest ruling party and its parliamentary faction to be defeated by its own hands. So that the prediction made by many in the faction become a reality: that this formation could only be disintegrated from within.

However pronounced the dividing lines may be—because that's how they are, and it makes no sense denying this—not a single person in this team has failed to adopt the minimum level agreement that it would—hopefully—place above his own views. Notably, the fact that we have agreed to govern, that we would lead the country peacefully and successfully until 1994, until the elections to come.

One must realize that if the strongest parliamentary faction disintegrates, if the time for governance by the minority—so strongly advocated by the opposition—comes, that would mean not only the failure of a party or of the coalition, but supposedly also of the system change. True, those who love to recommend governance by the minority also promise to endeavor consensual governance and to support the government. They would certainly support the government, but a very high price would have to be paid. Notably, their will would be implemented. Their job would be to provide ideas, while we would bear the responsibility. The same situation would occur that would have evolved in the absence of the thousand-times damned "pact": The winner of the elections would have to beg for goodwill and for votes.

Accordingly, no judgment was made, no one was excommunicated by anyone, and this, of course, also meant that no one retracted his views; the lack of a decision did not mean that the future would not hold surprises. All this meeting meant was that, hopefully, each and every one recognized that this party had not come about on the basis of a common ideology, but instead on the basis of a common will or a common program—a program to

uplift the country and to change the system. Accordingly, a common denominator exists.

Last Wednesday's parliamentary debate probably helped us find the common denominator. As we know, its topic was the government report on the past two years; the opposition expected no less as a result of this debate than to humiliate the government, and to prove that a team of dilettantes was wandering aimlessly at the head of the country.

Well, anyone who did not spare the effort to watch some of the direct broadcast from parliament, and who did not rely solely on newspaper reports the next day, could feel compelled to recognize that Wednesday was not exactly the opposition's day. They were the losers in the debate. The results produced by the debate appear as particularly poor from the standpoint of the opposition if we consider that some factions spent most of last weekend on preparing for this debate. And let us add here what the MDF faction members rightfully objected to: Only a few hours before the debate were given to ruling party members to gear up for debate, to assign roles and to caucus.

What has taken place on the day of debate? Except for a few speakers, the opposition did nothing else than at other times: It denied things. They were able to say only one word: "no." They made a diagnosis, if at all, but they failed to provide a therapy. And some competent people from the opposition acknowledged—not for the first time—that no one could lead the country fundamentally better than the present government, because the exact same legacy and latitude had been given to all. This does not mean, of course, that certain things could not have been done better, such as compensation. With respect to these matters, however, the opposition also holds responsibility.

Janos Ader from FIDESZ [Federation of Young Democrats] and Gyula Horn from the socialists [MSZP—Hungarian Socialist Party] said nothing except the usual "nyet." In most instances they were not even able to raise questions. Ivan Szabo was correct when he declared that had he been in the place of the opposition he would have been able to raise certain questions, but he should not be expected to do so then and there. All in all, members of the cabinet and coalition speakers presented arguments and provided data; in other words, they conducted themselves as responsible men of government should conduct themselves.

No one should feel that I dare regard this as the dream team. No, it is not the dream team, because it cannot be that, simply because there is no dream team. I dare say, however, that in vain do several persons declare themselves on the opposite side of being capable of forming a government. There is only one force capable of forming a government: the present coalition.

This recognition at the Balatonkenese weekend also meant that no ideological dispute could weaken, let alone disintegrate, the MDF. Because there is no one to

whom the government could be transferred. There is no other force capable of governing.

## Bloody Conflicts With Gypsies Reported

### Ketegyhaza Revolt

92CH0993A Budapest TALLOZO in Hungarian  
17 Sep 92 pp 1,783-1,784

[Article by Laszlo Danyi: "Ketegyhaza Revolts"—reprinted from NAPI DELKELET, 19 September 1992, page not given]

[Text] Ketegyhaza [Chigitaz]—The villagers are out on the street—sitting on the bench outside the fence. Word has it that not much work had been accomplished on Wednesday, not many had gone to school, etc. What happened on Tuesday night and yesterday at dawn will not soon be forgotten. I am taking off in the direction of the mayor's office, the "residence" of Mayor Dr. Jozsef Eisele. I recall his words of more than a year ago: "There is nothing I can do against some of the local Gypsies. I have informed the police a hundred times, I have given indications to the Ministry of the Interior—all to no avail. Some big trouble is going to evolve from this, you'll see." Unfortunately, the mayor's words have become a reality. And the bloody ruckus has not come to an end.

We are unable to enter the office because the entrance is blocked by Peter Csurar, Gabor Csurar, Csaba Csurar, Mrs. Peter Csurar, and Ibolya Csurar. Disrupting each others' statements they tell about all that happened during the previous hours. Meanwhile, I can't help but recall that Gypsies from Doboz attacked people enjoying themselves at the Szanazug recreational area in July, and that on 20 August more than 50 Gypsies were rampaging at Lokoshaza.

"There must have been 60 or 70 Hungarians on the Kamaz truck," Ibolya Csurar recalled, "they shouted in front of Peter's house on Nagy Sandor Street: 'We dare you to come out! We'll cut off your heads and bury you alive.'"

"At my house on Damjanich Street they were shouting 'let the house burn,'" Gabor Csurar, whose attempt to hide from the angry Hungarians failed, said. He suffered injuries healing in more than eight days and was treated at the hospital in Gyula.

At first hearing it is hard to reconstruct what exactly prompted this animosity. It took several long minutes to find out that the controversy had begun in the evening hours of Monday, 7 September, when the Gulyas family residing on Nagy Sandor Street picked a quarrel with Peter Csurar Jr., from a few houses down the street, who had been their guest at his request to eat some cantaloupe brought previously from Medgyesegyhaza by Jozsef Engelhardt. The Gypsy man, treated as a guest, said that he did not receive enough fruit. He



then physically assaulted Mihaly Gulyas' family; moreover, he bombarded with cantaloupes the entrance to the Gulyas home with the help of suddenly gathered relatives.

Mihaly Gulyas had a bandage on his head when we arrived; he showed us his face, which had been pierced with a pitch fork. (In turn, Peter Csurar Jr.'s hand had been cut with a hoe.) The Gulyas family has been in seclusion ever since Monday, because, as we learned from the Csurar's, their lives were in danger. There was no need to deploy police forces at the time; nevertheless, the police remained on alert.

"My dear sir, the last time we were afraid like this was when the pufajka [armed communist sympathizers] came in 1956," a crying Gyorgy Arszintye said in the Gulyas courtyard. "These Gypsies beat to death Peter Bandula in the 1980's and moved into his house. Sandor, the Gypsy who killed him, did not even spend much time in prison."

"We belong to the Romanian minority," Arszintye's wife said, "who is going to protect us? Arpad Goncz gave all the power to the Gypsies! Only the hands of police are tied."

They mentioned that the parties to this affair held a certain demonstration the next day in the village. The Hungarians were demonstrating because they had enough of watching the police and the administration of justice standing idly by while 30-50 Gypsies went on a rampage. The Gypsies, on the other hand, demonstrated to show off their strength. Nothing happened until the evening, but at about 1800 hours, the Kamaz truck "paid a visit" at Peter Csurar Jr.'s home. It knocked down the gate, and Hungarians armed with various fighting implements smashed the Zhiguli parked in their courtyard. (There were between 12 and 15 persons aboard the truck, according to the still-unshaven police Lieutenant Colonel Dr. Sandor Sutka, the deputy chief at the county police headquarters.) Gabor Csurar, who went into hiding in the meantime, got what was coming to him; he was thrashed to the point that he suffered wounds that took more than eight days to heal. It seemed that this settled the matter.

Nevertheless, hopes proved to be fickle and blind in this instance, too. A few minutes before midnight the sound of fire truck sirens pierced the quiet night at Ketegyhaza. The houses in which the Csurar family lived went ablaze. Despite the quick response by firemen summoned by the police(!), the house of Gabor Csurar (he and his brother Peter have a criminal record) at No. 45 Damjanich Street, and that of Peter Csurar's, his parents, at No. 63 Legelo Sor, burnt to the ground. "Molotov cocktails" (beer bottles filled with gasoline and choked with a rag) suggested arson as the cause of the fires.

It belongs here to tell that a few years before this incident the Csurars were living in Almaskamaras. One night the

residents of that village packed up the Csurars' belongings and took them to the outskirts of the village threatening to kill them if they returned. A hastily arranged gathering of villagers at the mayor's office revealed that the Csurars faced the same fate at Ketegyhaza; if they failed to move, Hungarians and Romanians capable of doing anything by now, would get even with them.

We went to see Gabor Csurar's next door neighbor. He surrounded his house with a barbed wire fence because the Csurars had been stealing his firewood regularly. He has been unable to sell his house for years. At a Bekes County Police Headquarters press conference chief of police Colonel Dr. Laszlo Gal, Colonel Dr. Istvan Bokonyi of the National Police Headquarters (ORFK) and head of the public order (both of whom left a conference of chiefs of police at Kecskemet on orders from ORFK chief Major General Sandor Pinter so that they provide appropriate information to the press), and Gyula police chief Colonel Dr. Matyas Zleovszki uniformly denied that Gypsies of Ketegyhaza had bribed the policemen.

Damages amounting to 200,000 forints and 150,000 forints were inflicted on the two houses belonging to the Csurars, not counting the houses that had been destroyed or burned.

Gabor Csurar is negotiating to obtain a Kalashnikov submachine guns and hand grenades in Budapest. The mayor wondered why only "half" a policeman [as published] had been on duty at Ketegyhaza thus far.

Yet another small matter belongs here. Upon visiting the house of Peter Csurar Jr., a woman commented:

"For all it matters, the Gulyas family is no longer alive. We buried them already. Together with Kadar."

#### More on Ketegyhaza

92CH0993B Budapest TALLOZO in Hungarian  
17 Sep 92 p 1,785

[Article by Emese B. Sajti: "Passions Reach Boiling Point at Ketegyhaza"—reprinted from BEKES MEGYEI HIRLAP, 11 September 1992, page not given]

[Text] The Ketegyhaza local legislative body convened on Wednesday—one loses count of recent meetings like this—to discuss action to be taken in response to the extraordinary situation that has evolved.

Meanwhile a large crowd gathered at the municipal building; thus the meeting of the legislature turned into an ad hoc town meeting at the cultural building; 400 villagers attended. Gypsy representative Lajos Farago promised not to avenge the offenses—the arson, the destruction of homes, and the beating—that took place Tuesday night.

A group of Ketegyhaza citizens presented three demands to police and local government representatives, the subjects of criticism a number of times before. One of the demands called for the reinforcement of the Ketegyhaza police, a matter Mayor Dr. Jozsef Eisele and the legislative body had been requesting for two years, to no avail.

The other demand called for the removal of the unmanageable Csúrar family from the village because Ketegyháza residents experienced trouble only with the Csúrar from among the 350 Gypsy residents. The third demand called for the release of six persons so that they could defend themselves as free persons; they had been placed under preliminary arrest by police for acting jointly to bully the Csúrar family. The police rejected the latter demand on grounds that doing so would be illegal. We should note here that three members of the Csúrar family are also "guests" of the police for criminal acts committed earlier.

At the town hall meeting yesterday morning, about 70 people vocally repeated the demands made during the night. It so happened, that National Assembly Representatives Ottilia Solt and Antonia Haga had been briefed there about the previous days' events. Ottilia Solt expressed her view that Ketegyháza had a Csúrar problem, not a Gypsy problem. At the same time she noted that this issue had not been kept "alive" by more than 4,000 citizens, but by a small group of citizens. And in this tense situation those responsible for the administration of justice must pay particular attention to the need to administer equal justice.

### Tura Conflict

92CH0993C Budapest TALLOZO in Hungarian  
17 Sep 92 p 1,785

[Article by Judit Gal: "The Day of Hatred in Tura"—reprinted from PEST MEGYEI HIRLAP, 14 September 1992, page not given]

[Text] An irreparable tragedy occurred in Tura Saturday afternoon. In the producer cooperative orchard along Zsamboki Street rural constable Istvan Varju fired his shotgun at local residents Jeno Farkas and Mrs. Nagy, Maria Kalnoki. Both of these people died instantly.

The day after the bloody event the otherwise quiet, peaceful settlement seemed like a disturbed beehive. In the morning, some of the Gypsy residents of the municipality—several hundred demonstrators—marched on the streets, protested in front of the mayor's office and shouted "murderer."

The crowd had not dispersed as of early afternoon when we arrived, it only moved from the center of town to the edge of the village. Policeman guarded the rural constable's home who had been taken in custody on substantial grounds to believe that he had committed the crime of manslaughter. But despite this fact, men heated with passion shook their hands on the opposite side of the street and promised to burn down the murderer's house.

Relatives, friends, and acquaintances with tear-strained eyes threatened to take revenge. Some claimed to be aware of an intent to eradicate the Gypsy residents of the village, and this is how the demonstration began. This,

however, is contradicted by the opinion expressed by Kalman Szenasi, one of the local leaders of the Roma organization:

"There has been no quarrelling here; not even disputes have occurred. I really don't know how this terrible thing could have happened."

We also talked to Attila Pupos, another eyewitness to the tragedy. This young man showed us the wounds on his back, adding that the wounds had been inflicted when he hid in the bushes to escape the shots.

[Gal] What has actually taken place?

[Answer] The four of us, neighbors, went to the orchard to pick pears. The orchard is not ours, of course, it belongs to the cooperative, but they have already harvested the fruits, and we thought we would pick up what had been left behind. Then the rural constable came and called on us to drop what we had already gathered. Maria Kalnoki dropped the pears and we started running, but she fell. That's when I noticed that the shots struck her neck. I ran for my life and escaped. These unfortunates left five children behind. Maria has two orphans, Jeno has three.

We talked to the oldest daughter of the woman who had died under tragic circumstances. She already wore her mourning dress.

"My mother was 40 years old, and she was killed on the holiday when her name was celebrated."

Allegedly the rural constable had been performing this function for only three months.

At 1630, when we left Tura, a fire truck was also parked in front of the rural constable's house to take immediate action if the avengers tried to make good on their threats. Additional police cars also arrived. The day of hatred had not come to an end.

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About 60 members of the Gypsy populace of Tura promised not to let their outrage escalate into violence; an outrage caused by double murder committed by rural constable Istvan Varju. They vowed instead that they would maintain order in the municipality, according to a statement by Istvan Komaromi, the head of the Pest County Police Headquarters Sunday evening in response to an MTI inquiry.

Komaromi also said that although they would like to see the Gypsies of Tura calm their passions, his office was prepared for any possibility and dispatched an appropriate size police force. The family of Istvan Varju, who had been taken into custody, was relocated to neighboring villages for its own safety.

**Neo-Nazis Interviewed on Organization,  
Principles**

92CH0994A Budapest TALLOZO in Hungarian  
17 Sep 92 pp 1,784-1,785

[Interview with unnamed neo-Nazis by Gabor Demus:  
"Neo-Nazis at Balassagyarmat"—reprinted from  
IPOLY, 11 September 1992, page not given]

[Text] Democracy has brought freedom. Prior to the system change one could have expected that extreme right-wing groups and organizations would appear sooner or later. But in Hungary they appeared sooner, rather than later.

One could hear about the skinheads even before the political turnaround had occurred. About fights, brutality, and racial hatred. Neo-Nazism was not really known at the time. More and more reports were received in Hungary on this subject. News spread quickly among the skinheads. Most of them espouse Hitler's ideas now. This situation is the hot bed of anti-Semitism, anti-Gypsy statements and of the hatred of Arabs. Most of the skinheads are young and receptive to anything that is new. The need to belong somewhere and in this sense, finding a path, is characteristic of this age group. They like the outward manifestations of Nazism and the simplistically primitive character of Hitler's message is easily comprehensible. The social and economic situation, and unemployment contribute to all this. Demagogic talk of this kind spreads fast and is characteristic of periods like the one we experience today. The problem is not that this kind of attitude is capable of emerging in one form or another in our present day politics; instead, one should be concerned that this kind of attitude would be manifested in the future by those growing up today.

Fearing consequences, the people we talked to did not permit that they be identified by name.

[Demus] What's the difference between a skinhead and a neo-Nazi?

[Answer] Anyone can be a neo-Nazi, no outward appearance is required.

[Demus] What specifically is that outward appearance?

[Answer] Skinheads wear pilot jackets, boots, and have short hair or bald heads.

[Demus] And what's the difference in mentality?

[Answer] A skin need not necessarily agree with Hitler.

[Demus] Where do you belong?

[Answer] I am a neo-Nazi skinhead.

[Demus] How many of you are in Hungary?

[Answer] I don't know. I think there are many of us. There are a few of us in Balassagyarmat, although not all

of them are real skins. Some join us because it's fashionable. These people drop out later on. There are about 10 of us in a city of the size of Balassagyarmat. In larger cities, like Budapest or Gyor, there are more than a thousand of us.

[Demus] Are you isolated from each other, or do you have some club or a headquarters?

[Answer] Our headquarters are in Eger and in Budapest. We hold meetings, and organize events and actions involving larger crowds.

[Demus] How old are those who go there?

[Answer] They are between the ages of 15 and 35.

[Demus] How do you keep in touch?

[Answer] I'd rather not discuss that. They are watching our correspondence anyway.

[Demus] Who is watching it?

[Answer] The National Security and the police. We frequently receive letters that have been opened. "Excuse me, I'm aunt Piri. I opened your letter by mistake." In any event, if something happens in Eger one day, I know about it on the same day or the next.

[Demus] To what extent are you organized?

[Answer] Quite well, I believe. We have made great advances as compared to the initial period. There were not as many of us five or six years ago as there are today.

[Demus] You mentioned that you were organizing actions.

[Answer] The largest group actions take place in Eger. It has become a tradition to meet at Dobo Square on 1 May and to march to the castle from there. We drink and chat.

[Demus] Is violence part of the organization?

[Answer] It is. We are a paramilitary organization. This can also be seen from our outward appearance. One has to strike out nowadays if something is to be accomplished.

[Demus] What do you want to accomplish?

[Answer] We want to acquire political power in the short term; we want to function as a political party. In the long term we want to purge Hungary from aliens. After that, we want to halt the African alien wave, and create a clean Europe.

[Demus] Who are the aliens?

[Answer] Anyone who is not a Hungarian.

[Demus] What does the term Hungarian mean to you?

[Answer] A person who was born here and whose native language is Hungarian.

[Demus] How about the Gypsies who live here?

[Answer] They are not Hungarians, of course. Nor are the nationalities: the Jews, and the Turkish, Arab, Cuban, and Romanian guest workers. We have no need for them to throw razor blades at us and to sell dollars on Vaci Street. To bring drugs to the country. They touch your arm, begin pulling your arm so that you buy dollars from them. They begin shouting at you if you have no money on you. We have to bust the faces of these people.

[Demus] I do not believe that an Arab university student would cause any harm to you.

[Answer] Why isn't he at the university if he is a student? Why is he on Vaci Street?

[Demus] Don't you think that the same trends prevail in western countries?

[Answer] Just look at the events at Rostock. The skins have been fighting the police there for a week. In general, the will to do so exists in the people's minds, but they do not dare to say things like that. If you were to ask 100 people in Hungary whether they hated the Gypsies, 80 would say yes.

[Demus] Do you think that violence can resolve these problems?

[Answer] Violence alone conveys the message. They should create some country for them in Africa.

[Demus] What's your problem with Jewry?

[Answer] They rule the country. They prevent us from being nationalists. Half the government is Jewish. They always voice things about Saint Stephen's laws because he said that aliens coming to our country would help us and that this was the only way Hungary could sustain itself. Yes, but Istvan lived a thousand years ago.

[Demus] You must have some serious principles, I guess.

[Answer] Strength, honor, love of country. We are willing to act as Hungarians. We do not use drugs. Recently we went on an excursion to Transylvania. We profess Hitler's principles. We believe in them. Besides being nationalists, we are also chauvinists, anti-Semites, anti-Gypsies, and anticommunists.

[Demus] In speaking about neo-Nazism one cannot avoid discussing the World War II devastation caused by fascism.

[Answer] One cannot be certain at all about the existence of death camps. Just as the communists have falsified history, the West could also have falsified documents about fascism.

[Demus] What is your view of Hitler?

[Answer] He was a very great figure in history. It is not true that he started World War II. He described his ideas in *Mein Kampf*. He wanted peace with England, for

instance, all along. England was first to declare war. The way Hitler is being presented does not reflect the truth. He did not want to conquer the world. He only wanted to establish Germany.

[Demus] What do you think, why did great thinkers like Einstein and Thomas Mann escape from Germany?

[Answer] Thomas Mann was a Jew.

### 'Suspended IMF Negotiations' Discussed 92CH0957A Budapest HETI VILAGGAZDASAG in Hungarian 5 Sep 92 p 15

[Unattributed article: "Suspended IMF Negotiations"]

[Text] "The negotiations were not broken off, but rather a consensus could not be reached," a leading official of the MNB [Hungarian National Bank] said diplomatically, after the delegation of the International Monetary Fund finished its approximately 10-day negotiations in Budapest with representatives of the government and financial leadership two days earlier than planned. There was more at stake than usual during the visit of the IMF, because in the previous weeks it was revealed that the Hungarian Government largely does not fulfill the conditions of the three-year credit agreement entered into with the IMF in 1991. One sign of this is that this year the budget deficit will be nearly three times the amount of the stipulated 70 billion forints.

"The IMF is not disturbed primarily by the amount of the central budget deficit; it considers the broader state budget more important, and it is mostly concerned if the growth of that deficit is due to economic processes going in the wrong direction, and this is the case this time," officials of the MNB stress. According to available information, the experts of the IMF especially object to the fact that there is no organization in Hungary, which produces a unified, perspicuous, authentic picture of all state transactions—not only the central budget, but social security, separate funds, local governments, the State Property Agency, the State Trustee, Inc., and even transactions connected with the world exhibition. The IMF probably makes it dependent not on the correction of this year's state budget processes, but on the government's intentions for 1993, whether and when it will pay out this year's suspended loans. The government's intentions did not yet seem unambiguous for the IMF experts. Thus, negotiations will resume in the middle of September in Washington, during the IMF's yearly assembly.

According to experts, the present caution by the IMF can be attributed to the fact that it is doubtful whether the Hungarian Government would dare drastically change the expenses and revenues of the state budget (among other things, introduce the VAT [value-added tax] with dual rates, decrease the expenses of social insurance and other social expenses, and pare down central bureaucracy). According to the signs, the differences of opinion are considerable even within the government. According

to the Finance Ministry, which leans towards short-term solutions, restricting state expenditures would allegedly further contribute to the recession, while according to the central bank, after a possible one-time drop in the GDP, the prospects of the economy would improve, with lower inflation and interest rates, and a more up-to-date state budget.

"The reaction of credit markets is slow, both in good and in bad cases," was the MNB's answer to the question by HETI VILAGGAZDASAG on whether the stalling of the Hungarian negotiations with the IMF, which counts as a guide-post for international finances, had any effect on the foreign credits of the central bank.

#### **Budget Committee Chairman Soos Interviewed**

92CH0957B Budapest TALLOZO in Hungarian  
27 Aug 92 pp 1,656-1,657

[Interview with SZDSZ representative Karoly Attila Soos, chairman of the National Assembly Committee on the Budget, by Laszlo Banyar; place and date not given: "How Far Can We Stretch?"—article reprinted from TOZSDE KURIR, 20 August 1992, page not given]

[Text] *We talked with SZDSZ [Alliance of Free Democrats] representative Karoly Attila Soos, chairman of the parliamentary Committee on the Budget, about this year's and next year's budget, about the deficit, which surpasses all others, and which might even surpass the amount foreseen in the supplementary budget.*

[Banyar] By the end of the year, the deficit is expected to be even higher than the projected 180 billion forints. For 1993, the planned deficit is 190-195 billion, but we have even heard of a considerably greater amount—250 billion. What is the cause of these discrepancies?

[Soos] The main reason for the changes in the deficit of the current budget is that tax revenues have fallen behind the amount planned for this period. This trend is not expected to improve by the end of the second half of the year, either. The shortfall in company taxes is especially great because the level planned last year was 84 billion forints. The modified budget includes only 54 billion forints under this heading, but only 17 billion have actually been paid into the budget. The planned income from financial institutions has also decreased, from 64 billion to 10 billion. The actual revenue from this source will be no more than 2 billion forints. When the 10 billion were planned, the ministry supposed that parliament would modify that part of the banking law which concerns guarantee funds. However, in the present situation this modification is not at all realistic. By the way, this does not yet include the about 20 billion forints worth of loss, which the MNB [Hungarian National Bank] will be forced to incur this year.

For 1993, the Finance Ministry first prepared a budget in which the deficit happened to be 250 billion forints. Subsequently they cut down expenses in several areas, and they included the planned results of VAT with a dual

rate. This is how the deficit shrank to 190-195 billion. It is still conceivable that next year's deficit will actually be 250 billion because the plan is founded on a basis this year, which is expected to prove false, or because certain processes expected for 1993, will be unfavorable.

[Banyar] Under such circumstances, is it possible to plan at all?

[Soos] It is very difficult to plan, especially the revenue side. Namely, the revenues are largely dependent on the performance of the economy and the possibility to collect taxes. In this situation it is expedient to plan the deficit as small as possible by cutting down expenses, and not as large as is still bearable, as it is happening now. Namely, if the processes turn out to be more favorable, one can find expenditures that could be increased as we go, or, if we do not increase them, more money will be left in the banking system, which will not be absorbed by the budget, and more can be given to the enterprises.

[Banyar] In your opinion, where could expenses be cut?

[Soos] There are areas where expenses could be made more rational. In the first place, one should examine expenses connected with the maintenance of law and order, and bureaucratic expenses. At the same time, one should start examining some other "sensitive points." Unfortunately, the government is not courageous enough to take these steps. However unpopular it is, slowly one should start questioning the need for certain social entitlements, and the government must engage in a discussion about them with the representation of interests.

It is impossible to solve the problem of the budget by radically reducing any one package of expenditures. Every single item of expenditure must be examined and must be touched. Now the government is trying to take away certain percentages here and there, instead of examining in minute detail where and by how much expenditures could be reduced. However, lacking an adequate apparatus, we cannot even say how large the amount could be by which the expenditures could reasonably be reduced.

One thing is certain, however: Such a large deficit cannot remain. Next year, with a GDP of 3,000 billion, it cannot be larger than 150 billion. More than this is only conceivable if the government were to carry out considerable investments in infrastructure, or were to create bases of guarantee, which would actually stimulate the economy. In 1993, this is not the case.

[Banyar] In your opinion, how can one finance the budget deficit, if not from the banking system, the savings?

[Soos] Right now we can only estimate how great savings will be this year. In last year's increase in savings the price increases, the growth in the population's income, and the large interest rates all played a role. It is possible

that this year we will witness a certain modification, because inflation is decreasing, the growth in the income of the population is limited, and interest rates are lower, as well. The present outlook is such that the savings by the population are roughly identical with the budget deficit. Of course, I could also say that financing the deficit will take up the entire savings. However, the danger in this is that the enterprises have no source of additional credit. Luckily, the situation does not warrant the inclusion of foreign sources, of increasing inflation because of the deficit. But if the present trend does not change, next year one or the other, or both, might happen.

Namely, taking out more foreign loans would lead to the same kind of "bad" indebtedness as in the middle of the eighties because the productive utilization of credits is not adequately substantiated by governmental policy. It is likely that the state will issue a very large number of bonds, for which increasing interests must be paid. I am afraid that this phenomenon, by increasing the deficit further, will lead to inflationary processes.

[Banyar] One hears more and more often that the banks can hardly invest in the enterprising sector, because profitable enterprises with "reputable" risks are lacking. In this situation, what do you think about a more active investment policy by which the state could accelerate the economy?

[Soos] I can only imagine an increased role by the state in a very limited area. Such an area could be, for instance, the increase of investments in the infrastructure, but only in areas that cannot be privatized. Today the proportion of investment expenditures is very low in the state budget. According to the plans for next year, it is hardly more than 2 percent of the GDP. Indeed, the increase could have an effect of accelerating the economy, but only if expenditures can be lowered in other areas. Beyond direct investments, one could provide credit guarantees; for instance, it would be worthwhile to increase the guarantees for credits given by the banks before 1987, so that they would not be burdened by such a great obligation to create guarantee funds. I do not see much in a credit consolidation fund (which would take over bad credits from the banks). I think these matters ought to be left to the banks, and one ought to support them more than is currently the case.

### Security Policy, Defense Research Discussed

92CH0995A Budapest MAGYAR HONVED  
in Hungarian 11 Sep 92 pp 18-19

[Interview with Miklos Derer, BHKK deputy director, by F.G.; place and date not given: "Consensus Should Prevail"]

[Text] *It has become generally accepted international practice for institutions and organizations to announce their activities on nicely designed brochures. This, unfortunately, cannot be done by the Security Policy and National Defense Research Center [BHKK], therefore we*

*inquired from Miklos Derer, the deputy director of the Center about the establishment of the organization, the character of its activities, the kinds of work and services it performs and the programs it implements.*

[F.G.] When was the BHKK established?

[Derer] On 1 November 1990, because a group of experts discovered during the summer of that year that a certain institutional vacuum had evolved in the field of security policy and national defense. On the other hand, the circumstances of the system change and the radical changes in our international environment created a certain intellectual boom in the two areas mentioned above. Meetings, debates conducted in periodicals, and minor or major conferences provided the only way to discuss security and defense issues.

[F.G.] Accordingly, was the institution established to fill a certain void?

[Derer] There was no institution to organize debates, yet, in those days, a number of foreign foundations and institutes sought information in Hungary; they were looking for the experts they had known before. Thus, a few of us were asked to organize a conference with the support of the Erasmus Foundation for Democracy, to be entitled "Armies in Developing Democracies," and with broadly based international participation. Still in the same year, with the support of other organizations, we created another conference on "Democracy or Autocracy; The Situation of Central European Countries in the Post-Communist Era." Chartered by the Atlantic Research and Publishing Society we organized a lecture and conference series on issues pertaining to Central-European security, with the participation of noted foreign lecturers.

This is how the idea occurred to us to create a research group to unite the mutually isolated research projects and functions. During the fall a few of us decided to establish the BHKK with the support of the ERASMUS Foundation, the MTA [Hungarian Academy of Science] Peace and Conflict Research Center, and the Atlantic Research and Publishing Society. This institution sustains itself from foundation support, i.e., it operates as a nonprofit organization independent from the government and the political parties; it develops political and organizational alternatives and organizes research.

[F.G.] How do you realize your perceived functions?

[Derer] We pursue four basic endeavors. We have initiated research projects, some of which are performed on order, while others were started at our own initiative. The results of these analytical research programs materialize in the form of relatively lengthy studies. At present, we pursue five research programs: The examination of issues pertaining to domestic air space and security; foreign policy prognosis for 1992; the examination of the new logistics system of the armed forces; an alternative recommendation for the management of

human relations at the armed forces; and—an expressly military topic—the problems of defending the territory.

We also perform quick analyses. We primarily provide an interdisciplinary approach to examine the background and future variations of quickly emerging and unexpected issues in international life and in domestic politics. We provide the results of such analyses within 72 hours in the form of bulletins and make them available to decisionmakers. After two or three weeks we are also able to provide detailed studies on one or two printed sheets.

We also organize international scientific conferences. This is generally done on a cooperative basis jointly with foreign institutions, primarily in regard to Central-European issues. Such conferences generally last three and a half days. One-third of the participants come from abroad, two-thirds are Hungarian experts. During free time between arrival and departure we endeavor to arrange for our foreign guests certain programs and discussions with competent government, official or independent organizations.

Upon request we also perform expert functions and develop recommendations for governmental organs, institutions and business enterprises. Other activities of ours include a future, planned newsletter, the organizing of summer university courses using foreign lecturers, our function to act as commentators in the press, the political club that meets on the last Wednesday of each month, and a national defense debating group beginning in February.

[F.G.] Of whom is the center's personnel composed?

[Derer] Since the BHKK is a center that organizes research, it does not function with a permanent research staff. Some of our associates and experts are independent persons, retirees, educators, technical writers and researchers. Another group consists of professionals from outside institutions and university departments. Politicians, representatives, and journalists frequently participate in our work; they comprise the third group of our associates. And finally, the fourth group consists of government staff members; this also serves the purpose of continuous mutual information exchange, and permits individual officials to present their independent ideas through essentially private channels, ideas that are difficult to enforce through official channels.

[F.G.] How is your financial situation?

[Derer] As so many other organizations, our institute, too, continuously struggles with financial problems, and manages itself near the existential minimum. From among the resources that cover our expenditures the initial foundation support and grants provided by certain organizations and persons to support our intellectual services and our organizing work, are most significant. We are forced to perform some of our activities without compensation. Our expenditures are frequently reduced by organs making use of the functions we

organize, our research programs and the result of our work: they finance our costs.

[F.G.] Some people disapprove of your functions. What could be the reason for that?

[Derer] One finds situations almost every day in which new things evoke contrary feelings in certain people. The BHKK is a novelty insofar as it operates as an independent institution in the two strongly political spheres of security policy and national defense research. Initially we, too, were afraid to undertake this enterprise, but the past year has proven that serving the prevailing decision preparation and decisionmaking mechanism in a non-partisan, proper way and based on professional knowledge, is not a devilish thing to do. Our work is helped, and our situation is alleviated by the fact that a substantive consensus exists in Hungary concerning foreign, security, and national defense policies. One of the most important conclusions we have reached as a result of our work is that this consensus must continue to prevail.

#### **Nuclear Power Plant President Interviewed**

92CH0957A Budapest TALLOZO in Hungarian  
27 Aug 92 pp 1,649

[Interview with Dr. Erno Petz, Paks Nuclear Power Plant president, by Ibolya Iharosi; place and date not given: "One Cannot Just Sneak Into the Power Plant"—article reprinted from TOLNAI NEPUJSAG, 19 August 1992, page not given]

[Text] [Iharosi] Originally you were appointed to the head of a large, independent company. Today you are just one member on the board of directors of a stock company in which the nuclear power plant is not in the majority. How can the interests of the power plant be represented under these circumstances?

[Petz] One must realize that in a system of electric power supply—and this is the same all over the world—the independence of power plants is only relative. The pieces of the system together must ensure the power supply. It may be that one or the other power plant has a different weight within the system, and ours is indeed greater, but we are all on the same team. Given the central direction and our relative independence, we must run the firm in the best possible way, taking the limitations into consideration.

Today, the firm is hobbling along a bit because we are only just learning what a stock company means. The old reflexes are still alive within us—in me perhaps less so than in the old directors of the power plant—and they are remarkably difficult to shake. Namely, earlier the power plant was in a privileged position because of its importance, and also because of the political circumstances. We are gradually learning how to operate: What is a general assembly? What is the sphere of authority of the board of directors and the management? Today this is being regulated by contracts, which are of course not perfect, but their absence would endanger our operation.



There is a basic contract between the Hungarian Electric Company, Inc. and every partner company. Beyond this, the Hungarian Electric Company, Inc. has a separate operating and trade agreement with every power plant. These agreements were coordinated in several steps; we already signed ours, with certain compromises. We are continuing to work on it, so that next year a better, more detailed agreement could be formulated.

This year, the text of the operating agreement accepted was based on our text, with slight modifications.

[Iharosi] The demand for electric power has decreased, so the decision is still not urgent. Is the process moving along, at the end of which one must decide whether there will be development in Paks?

[Petz] Unfortunately, I know little about this matter; we are not participating in this work, though we accept this fact with a heavy heart. This is a task of energy policy, not our task; it has to be decided on that level.

[Iharosi] There is a process under way within the company, as well. How would you summarize the accomplishments of the last seven months, such as the internal analysis and the bids for the posts of directors?

[Petz] This question has two facets. The most important one is how the power plant carries out its tasks.

[Iharosi] As far as I know, in an excellent way.

[Petz] The basic question is, keeping security in mind, how the generation of electric power developed, and how we carried out our major repairs. I do not claim that we did better, but I am certain that we did not do worse. We slightly exceeded our plan for the first half of the year, although we do have problems. The first block is already 10 years old, and due to the aging of certain equipment, new tasks presented themselves, to my misfortune, in this first year, and we even had a 10-day interruption of production in one of the blocks. There were problems with some of the bolts; instead of two, we had to exchange six of them. Now we are searching for temporary technological solutions which the authorities would accept, as well. I would like to add that we never haggle with the authorities at the expense of security. In the meantime, we are continually working with the Russian chief constructor on the final technologies, utilizing experiences from other nuclear plants. Based on all this, I must say that not I, but the nuclear plant, passed the examination with flying colors.

[Iharosi] Let us now look at the human factor.

[Petz] The transformation is necessarily accompanied by a renewal of the internal organization of the power plant, but not for its own sake. I wanted to avoid applying the principle of the new broom sweeping clean, and that is why I stated earlier that one must begin with an analysis. A committee on organizational development was formed; more than 40 bids were handed in, some of them very valuable. Every organization, down to the individual departments, analyzed itself. We now have 5,000

pages of written documentation, which must be entered into computers in order to avoid duplication. Based on a decision by the board of directors, there will be four managements: for production, technology, security, and economy. The heightened emphasis on security is unmistakable, and it will be under unified direction. An important change is that production and supervision will be separated. We have invited open bids for the management positions.

[Iharosi] How great was the interest?

[Petz] Unfortunately, only two bids arrived from outside. There were eight bids for the post of production manager, 13 for the post of technological manager, and three for the post of economic manager.

[Iharosi] What kind of managers would you, as president of the evaluation committee, and as general manager, like to work together with?

[Petz] For the first meeting, I prepared some materials that contained the criteria to be applied during the evaluation. I put human-ethical conduct in the primary position. A leader should be exemplary. I would like to develop a new style of leadership.

[Iharosi] Here I must add that this is a "semimilitary" firm where there must be discipline, where one cannot plead with the subordinates.

[Petz] Being strict and being rude are two different things. Let me go even further: Winning people over to the cause, and forming them, might lead to more results than being just strict. One must be consistent and firm, especially in matters of security and discipline at work. It is well known that if we catch someone drunk, he is immediately fired, without pardon. This is not the question; rather, whether a manager decides by himself, or whether he asks for the opinion of his subordinates; does he lean on them, does he manage them, or does he think that he is the hot shot. It is important whether he can create a consensus.

One can also not ignore previous achievements, the knowledge of foreign languages, managerial experience, and a scientific background.

[Iharosi] When will the results be known?

[Petz] The committee, and later the board of directors, will meet on the 19th; if the latter supports our suggestions, then the appointments can occur on the following Monday. A transition period will follow because the present organizations must be regrouped under the new management. In the second step, based on the materials of the committee on organizational development, a quick decision must be reached about the managerial organizations. The new manager will participate already in the selection of the leaders of these organizations. The detailed microstructure will have to be worked out together with the chief engineers of these organizations. I will provide the directives, the gist of which is that we



must reduce the number of organizational and leadership levels. Unfortunately, this will cause a problem for many leaders, thus it can only be handled in a very humane way. As an intermediate step, the authorities must approve of all of these measures.

[Iharosi] Internal security was evident up to now, and it will remain so. External security presents a new situation.

[Petz] The new organization accounts for this demand, as well. One will have to take a look at the external security system. In the West, a double system of fences is used today, whereas we only have it in one section.

[Iharosi] Who is responsible now for the security of the nuclear power plant?

[Petz] We are, because we operate it. From the point of view of what they prescribe for us, the authorities are, as well. Once they approve of the security system, it is our task to keep it in operation.

[Iharosi] Antiaircraft security could also come into question.

[Petz] That is not our task, but that of the Defense Ministry. There exists a very large-scale cooperation. In case of the smallest suspicion that something might happen—and it is not our problem where this information comes from—we are immediately notified. They take the necessary steps, and so do we. Our own methods include a system of monitors and guards. One cannot just sneak in here....

**Parties Illustrate Wide Political Spectrum***92EP0677A Warsaw POLITYKA in Polish  
No 37, 12 Sep 92 p 7*

[Article by Jerzy Papuga: "From Eagle to Blackbird"]

[Text] The Polish Party of the Discontented is composed of only those citizens who "are disgruntled in a creative and constructive manner."

The Party of VCR Owners has concluded that anybody who owns such a device is its member (there are four million private video recorders in Poland). One of the largest parties is the Independent Association for Responsibility and Justice—it comprises 50 thousand people who have been admitted because in the past they belonged to neither PZPR [Polish United Workers' Party] nor UB [Security Administration], nor did they collaborate with the KGB. Dr. Ewa Wierzbowska emphasizes that it was she who recruited the largest number of that party's members, since she works at the Warsaw endocrinologic clinic.

The female clerks from the Seventh Department of the Voivodship Court in Warsaw claim that on the average two people a week inquire about the registration of a political party. They predict that the number of organizations listed in the Register of Political Parties will increase from 154 to 200 in the next six months. "People will have plenty of new ideas and good intentions after vacations—so, the business will pick up in our court."

**Fifteen Sympathizers Are Enough**

It does not take much to establish a political party—the party leaders have to show up in the court with their identification cards and present their party's statute and program. In addition, their political program must have the support of at least 15 sympathizers. As the political debates in Sejm become more heated, the number of the registration requests increases.

While browsing through the Register, one can divide the political parties into country-wide (or even global), local, and family-limited. Some comprise the saviors of humanity and motherland, while others consist of married couples, siblings and the neighborhood groups. None of the political parties admits in its program that its goal is to take power in the country. Rather, they are against someone—Walesa, Tyminski, Stelmachowski, etc. They use language directly from journalistic debates on television or news programs in their documents. To be sure, they have also come up with their own revealing thoughts.

The Zakopane Catholic Party wants to build the Civilization of Love on earth. Therefore, it proposes that all cultural activity be subsidized up to 50 percent. The members of the Conservative Monarchical Club think that only a king is capable of saving Poland from the mess into which it was transformed first by the communist governments and then by anarchy and mirages of democracy. Count Kacper Krasicki, the deputy

chairman of that party, decisively favors preventive censorship. The International Association of Citizens of the World—the Polish Party of the Citizens of the World, wants to focus all its strength on improving the Polish economy. Pawel Solski, one of the leaders of the Independent Ecological Movement, known by his campaigning under the banner of the "Healthy Poland," recommends that "an effort for the fatherland be undertaken, wherein the actual action would take place in local communities, whose transformation would amount to the transformation of the country as a whole."

The Party of the Discontented from Gdynia has decided to fight against any troublemaker, including Party X, because the latter's program is all but negative. The Party's motto is contained in the word "efficiency." In case the party members become content with the situation in Poland, the party will change its profile and its name into the Party of the Satisfied. According to Armin Gerard Zielinski, this is a remote possibility because there are more and more troublemakers. The Polish Party of Pragmatists does not hide that it is against the church and against Walesa. Neither does it like the government, the Sejm and Stanislaw Tyminski.

The Party of Wisdom wants to have such a Poland that even a fool would not be able to hurt it. The Polish Craftsmen Party has focused on the issue of unemployment, which is "a devil's curse and a slavemaster's curse." The craftsmen want to differentiate unemployment benefits—100 percent for those employees who have been fired, but only 50 percent for bums and drunks. The Union for the Restitution of the Monarchy, apart from the goal expressed in its name, would like to have monks in charge of education. It cites Spain as an example of a harmonious transformation from totalitarianism to monarchy. In order to improve the attendance in theaters and opera houses, the union proposes that tickets to these cultural institutions be tax-free.

The Party Siemienias, established by Franciszek Siemienias, sees its goal in disseminating the thoughts of its founder. The Royal Party from Zakliczyn, is for the election of the king. The current president of the Republic of Poland could be a candidate to the throne. The Kingdom of Poland from Poznan must have been registered with the help of the Kingdom of Heaven, since all its members admit that they "have been inspired by the Catholic religion."

There is only one party, really, which has been established just for fun. It is called the Party of Success and Smiles. It is located in the Circoland amusement park in Gdansk. As far as economy is concerned, it favors the development of amusement parks. In turn, the Regional Environmental Protection Party "Dam" in Wadowice, having been entrenched in the vicinity of the controversial dam, monitors the Dunajec river. The Private Party of the Citizens of the World has partially accomplished its goal—the opening of borders and the lifting of visa requirements in the whole world. It is still alive only because a few countries continue to oppose the forces of

history. On the other hand, no one knows what the Democratic Union of the Volunteer Fire Departments of the Third Republic wants (its address is 158 Janosik Street, Lodz). People from Tadeusz Mazowiecki's Democratic Union do not even believe that such a party exists.

#### Warsaw First

The political geography of the Polish party epidemic indicates that the inhabitants of big cities have been affected by it the most. Warsaw, as headquarters of 69 parties, holds first place. Lodz, Crakow and Poznan are strong as well—each has eight parties. It is not bad in Gdansk, Wroclaw, and Katowice (seven, four, and six parties, respectively). On the other hand, Rzeszow, Lublin and Bialystok are doing poorly—each has only one political party. In contrast, the border town of Zgorzelec has two parties, both national. Towns like Szymbark-Bielawka, Zakliczyn, Swidwin, Grojec, Przybyszowka, Lubsko, Lask, Deblin, Biskupiec Pomorski, and Zarki-Letnisko have become the headquarters of political parties against the elite's tendency to concentrate in big cities. The further East, "the party saturation index" is worse.

The parties are reluctant to reveal the size of their membership. When in court, they usually limit themselves to showing the required list of 15 members, otherwise the party would not be registered. However, in their political pamphlets, these meager cadres miraculously transform into legions. Only the monarchical and traditional parties do not conceal the fact that they are elitist, consisting of 25-30 persons each. The parties of "the citizens of the world," conservative and liberal, usually have approximately 1,000 members. The peasant, populist, and independence-oriented parties, as well as those established "against something," tend to exaggerate. The Independent Sovereign Labor Party from Sopot admits that it has only about 2,000 members, but claims that there are as many as 100,000 sympathizers and "people waiting to be admitted." Dr. Wierchowaska's party—the Independent Association for Responsibility and Justice—allegedly has 50,000 members. If one were to believe data provided by the parties themselves, they comprise 1-1.2 million people, whom no one even expects to be particularly active in their party affairs. It is enough to belong.

#### The Lounge Lizards' Lairs

The parties' headquarters are usually located either in private apartments or in companies, run by their leaders. Any self-respecting party would prominently display its symbol and a copy of the registration document. In addition, a collective photo of the party leaders might hang on the wall as well. Some parties record their court registration proceedings with a video recorder. This notwithstanding, hardly anybody pays any attention to them. Only the Party of Success and Smiles in Gdansk

cannot complain about the lack of turn out and popularity. Other organizations meet at various social gatherings, wherein the main piece of furniture is a couch. The Union for the Restitution of Monarchy has two factions: the Borderland Brotherhood and the Free Election Faction. Their activists are isolated within the party and as such are given less prominent seats during the party's festivities. Rarely is there someone on duty to receive phone calls at the parties' headquarters. Usually, it is the next of kin of the party leader, who, embarrassed, explains that this must be a mistake or that the "party" is out of town.

The membership fees are the main source of the parties' finances. However, many parties have petitioned the local administration for grants. Some entrepreneurs and craftsmen have discovered that to have their own political party may be to their advantage—they could always attach some "hot" bills onto their party's account. The licensed video distributors see the Party of the VCR Owners as a fig leaf to cover copyright piracy. Only a few parties have their press outlets, although almost all want to establish their own publishing houses, or even publish daily newspapers. As of now, they are busy writing to the authorities and drafting plans to improve the world. The parliamentary clubs, the president's chancellery, the government and the Belweder know it all too well.

All these institutions reportedly have lists of the bothersome letter-writers. Any professional secretary would immediately distinguish a legitimate customer from a "possessed" leader of a political party. The first indication is their request that they talk directly to the boss himself. Those annoying men are particularly troublesome for the members of the administration responsible for contacts with the political parties. Bogdan Lau, the chairman of the Christian Democratic Solidarity Union, and at the same time the founding father of the World Center for Christian Assistance, recently asked Prime Minister Suchocka to have the state budget subsidize "companies of Christian assistance." He has sent a similar request to Pope John Paul II. The government has answered him that it would welcome any grass-roots idea of helping the poor, without, however, having the state pay for it. The Party of Wisdom has revealed that it is working on a computer model of eliminating mistakes in running the government directly. The party intends to make this model available only to those politicians who can prove their high IQ. It is understandable, given the fact that only a few of our politicians could comprehend that what is needed to improve the economy is "the optimal increase of the whole society's economic integrity."

#### Leaders

The leadership of particular parties consist mostly of people who have been either persecuted or persevering. The biographical info about the leader of the Liberal Democratic Party Independence emphasizes that he did not belong to any party or a political organization in

PRL [Polish People's Republic]. This is not an exception. Every leader wants to emphasize his anticomunist record or at least his ability to withstand PRL's temptations. Jozef Rogowski, whose predecessors had had as many as eight coats of arms (Jastrzebiec, Gieralt, Grzymala, Leliwa, Abdank, Orla Duza, and Przerowa), while his property (50 villages with the name Rogowo or Rogow) has been in the land registrar since the year 1140, wrote modestly about himself that he had been persecuted in the PRL period. Others give more facts. Kazimierz Wisniewski, one of the leaders of the Independent Association for Responsibility and Justice, not only had suffered under communism but also contributed to the development of "the sanitation system in Poland." Witold Szymanski, (of the National Renaissance Centrum in Grojec), used to be a music band instructor, but, having been disappointed, has turned to agriculture and political activity.

The race driver Slawomir Jurga is the leader of the Conservative Liberal Party. In addition to being busy in politics, he is also involved in charitable activities. Counsel Janusz Malczewski, from the Polish Republican Club, "has not belonged to any political party before 1980 or afterwards, having always been in opposition. As the leader of his party, he has contributed patriotism, legal and organizational expertise, historical and philosophical knowledge, as well as a dissenting voice against lies in politics." And yes, he is not only the chairman but also a member.

Armin Gerard Zielinski owns a company, the employees of which are not aware of the fact that he also leads the Party of the Discontented. The Labor Party Solidarity is run by physicists and technicians. Prof. Andrzej Zielinski, its leader, "knows technical matters." He favors the Japanese economic ethos, based on collective work. Zielinski emphasizes "the principle of equality of opportunity," while expecting himself and others to measure up to high standards. He is not a racist. Miroslaw Zamiarowski and Norbert Smyrak, the remaining leaders of this party, are young and talented physicists.

Jerzy Krajewski, a journalist from GAZETA BANKOWA and ZARZADZANIE, claims that he himself came up with the name of his party—the Polish Prosperity Party. He is a publisher of and the only contributor to the paper DOBROBYT [prosperity]. So far, it has not brought him any prosperity. The Polish Party of Progress could not be more proud of its leader Stefan Czarnowski—a boy scout, poet, journalist, activist of NOT [Chief Technical Organization] and TKP [Local Coordination of Transport], as well as a long-time consultant. Tomasz Golczynski, a son of a mathematician and an AWF [Academy of Physical Education] graduate, owes it to his parents that he is open to the real world, while at the same time his way of thinking and perceiving the world is scientific and cybernetic. In 1970 he participated in the so-called Mathematics Olympiad. He has created his Party of Wisdom of those

members of the Polish branch of Mensa who have accepted his apolitical, pragmatic, and realistic view of the state.

Ryszard Szyłman, from the Polish Craftsmen Party, nurtures a deep hatred of socialism and communism because his family had been a victim of the tax man.

The leaders of our political lounge represent all strata of the Polish intelligentsia, with a slight preponderance of its technical branch. Craftsmen and entrepreneurs head the political parties rarely, while workers and peasants never. The leaders are usually college graduates. Many of them have invented and/or improved some technical devices. There are also quite a few journalists, political scientists, physicians and retirees among them. A phone conversation with a party leader is going well until he learns that he is talking with a journalist. At that point he becomes more cautious and asks whether this is some kind of provocation. "It is only party-like prudence," said a member of one of the two national parties in Zgorzelec. The establishing of a political party is for its leader the final expression of his bitterness against the present or even the past system. It may be a compensation for wrongs he thinks have been done to him. The worst of those would be to ignore him completely.

### Sword and Scales of Justice

Political parties pay a lot of attention to define their symbols. The Catholic Union of the Youth has designed its symbol in the form of "the coat of arms, displaying a white eagle with a golden crown, placed against the cross, under the left arm of which there is an inscription—Strong, Proud, Pious."

The only sign of life given so far by the Polish Monarchical Movement has been the change of its symbol. It is no longer a coat of arms bearing an inscription "Polish Monarchical Movement" along its edge, and displaying in the middle a white eagle with a golden crown and claws. The bird is pictured against a red background, with a shield on its chest "bearing the golden regalia—the scepter, globe, and cross against a blue background." Now the Movement's symbol is king Chrobry's sword crossed with the royal scepter on the purple ermine coat spread like a tent. A shield comes atop, divided horizontally into two halves. Its top part pictures half of a silver eagle against a red background, whereas its lower part displays the blue royal globe and the golden cross against a silver background. The golden royal crown with the cross, globe, rubies, emeralds and pearls is located atop the purple coat. An inscription—"A Pole feels like Pole!"—lies underneath.

The coat of arms of the Party of Those Who Oppose the Destruction of the Fatherland in Deblin contains a white and red checker-board [a symbol of the Polish Air Force, whose officer school is located in Deblin], with the scales of justice, a knight's sword and an olive branch in the middle. The Confederation for the Society's Revival has substituted the eagle with a less fancy blackbird, placed

against a green and red background. This has been the most radical proposition so far.

### **Knights and Proletarians**

One cannot ridicule the lounge parties because they would be more than glad to sue for libel. Their internal rule, supposedly adhering to the law of the Polish Republic and the parties' statutes at the same time, looks sometimes like the totalitarianism described by Aldous Huxley and George Orwell. Excesses committed by the members of the numerous nationalistic parties (which are based on Fuehrer-like principles) are the best proof of that.

Waclaw Jankowski is the absolute champion when it comes to establishing political parties. He is listed on the boards of three parties, including two pro-American and one party of the VCR owners. The Union for the Restitution of Monarchy has the most interesting structure. It includes the posts of chancellor, deputy chancellor, chamberlain and treasurer. Its supreme agency is the Grand Knight Circle (Congress) and the Small Knight Circle (Board). Members of this party address each other using the phrase "brother, sir." If a dispute between them cannot be solved, a duel is an option. The Association of Polish Communists "Proletariat" occupies the opposite position. Its members address each other using the word comrade.

### **Inflation?**

"It is a political question, and I am supposed to be apolitical," points out Judge Satkowski, who is on duty at the Seventh Department of the Warsaw Civil Court. It is quite common to hear an opinion that already there are too many political parties in Poland. Some people propose even that legislation should set limits on them. However, this is a short-sighted idea. It would lead to the people's dissatisfaction with democracy and its crucial principle—political pluralism. In any case, only the strongest parties count in the political game. They should act against a diverse and colorful political background. Furthermore, political parties alleviate social tensions to some extent, not to mention the fact that they keep busy a few thousand people who feel that they are needed. Even the extremely radical parties should have their share of political freedom. If nothing else, the state can control them better in this way.

### **Social Status Reflects Political Preferences**

92EP0663B Warsaw RZECZPOSPOLITA  
in Polish 9 Sep 92 p 3

[Article by Piotr Aleksandrowicz: "At Least Two Polands"]

[Text] The language of politics too often employs such terms as society, social tensions, social protest, national crisis, and public opinion, that is, terms involving general quantifiers. Yet, sociological studies indicate that

the universality of one view or another is less and less likely to be encountered, regardless of age, status, employment, or education.

### **Public Opinion Is Differentiated**

It seems that, in addition to such criteria as age and education, income per family member, and employment as divided into private and state sectors are increasingly becoming additional criteria for differentiation in views. A detailed analysis of poll findings could serve tentatively to isolate the groups of individuals who are more open to change and are linked to the new political and economic reality. They probably are usually rather younger than older; their education is rather higher than elementary; they are employed rather in the private, not in the state sector; and lastly their incomes are higher or average rather than low or at the bottom. At the other extreme we are likely to find rather older individuals or pensioners and annuitants, with lowest income and lowest education, often farmers (for several examples see box).

Terms such as progress and conservatism have been falsified in Poland in the past and at present too there is much confusion about their meaning, but even so the impression arises that to some extent we are dealing with two Polands: the Poland of conservative, poor, and uneducated people linked to the inefficient segment of the state sector or to equally incompetent although private farms; and the Poland of younger, proactive, better-educated people.

Superposed on this division is, of course, the division ensuing from the dominant criteria of group interests, but wherever group interests are not involved, polarization of views overlaps with the division into two Polands outlined above.

The division into two Polands is not an absolute black-and-white division, and besides there are no black-and-white division. It is rather an attempt to simplify the recording of social and ideological stratification. In reality, we are dealing with a certain continuum of views and modes of conduct regardless of the situation. The middle part of that continuum is probably represented by the dominant group of persons, often with eclectic views, influenced chiefly by their personal destinies and interests as well as by current events.

Still, this conditional division into at least two Polands can indicate the direction in which the politicians bearing responsibility for the changes in this country should orient their thoughts if they intend to create a modern European state and a private economy capable of international competition.

On certain questions a majority of the respondents, including also the younger and educated ones, are conservatively minded, while on others even the most destitute, older, and least educated persons demonstrate views encumbered neither by the thought of real socialism nor by the lack of common sense. However, if

an attempt is made to take an overall view of social awareness, it is readily seen that it is not proreform-oriented in the sense of readiness for a consistent building of a country where private ownership predominates and an effective free-market economy exists. The hardships of everyday life often prompt people to give credence to false concepts and to the illusory belief that the changes should proceed over decades and that the attendant problems can be painlessly solved.

### Conclusions for Politicians

The situation of the reformers is not hopeless, however, and that not only owing to the fragmentation of the antireform opposition or to divisions among the trade unions.

First, not every citizen intends to participate in elections. From the standpoint of the changes in Poland, the spectrum of voters' declarations seems favorable. It appears definite that fewer older, poorly educated, low-income earners and farmers intend to vote. Were everyone who nowadays declares lack of interest in the coming elections actually show up at the polling stations, the parties opposing the reforms and advocating measures that objectively mean a halt to the changes would be the gainers. In other words, to put it somewhat cynically, the proreform parties should not encourage higher voter turnout. What is more, if the views of the electorate are to be the absolute determinant for the actual exercise of governance and implementation of changes, etc., it would be better if a relatively substantial segment of the public were to stay home on election day.

At the same time, it would be illusory to expect that the several percent in economic growth that will be attained, once they are finally attained, would elicit a sudden change in the social mood. On the contrary, the economy may grow but the social mood may worsen when expectations are much greater than warranted by the effects of such modest economic growth. Such reasoning implies that postponing the elections is not bound to help the government, not even if the economic situation improves somewhat.

The acceptance of the idea that a moderate voter turnout is no misfortune requires, however, a corresponding conduct of governance, namely, adherence law and the utilization of the election results to legitimize the policies they favor. This means that the state should use all available means to require people who failed to vote to also subordinate themselves to the consequences of the elections in the form of a particular parliamentary alignment, government policy, laws, etc. This is to apply as well to those who did take part in the elections but cast their ballots for minority parties. In other words, the results of the elections apply absolutely. Yet, the experience with the successive Polish Governments since 1989 indicates that they continue to succumb to the illusory desire to please everybody, to the detriment of the program of changes, its implementation, the state, and the law.

Secondly, the proreform parties could try to reach people who do not intend to vote, or who intend to vote against them but who in reality hold proreform views. For various reasons, voter preferences are not always what they should be from a comparison of party programs and the views of some citizens. It is possible to try and identify certain groups that could be courted for a greater number of mandates, and it seems less effective to court the support of the groups whose political, social, and economic views are rather consistently opposed to the reforms. The moods of the electorate thus won over would most probably be changeable, and this would certainly lead to compromises that, especially as regards economic changes, culminate in halting these changes.

If then the poll findings correspond to actual views of the public, the proreform parties might change their strategy so as to focus on those social groups whose views can be assessed as potentially favorable to the changes, such as younger people who work in the private sector and whose incomes are either average or high. They might also want to focus on those employees of state workplaces who approve of the reforms, privatization, etc. Speaking somewhat symbolically, the proreform parties and the government should talk not with strike committees but with people who sign the admission list at the factory gates.

The interest in the social groups with views close to proreform should also be reflected in political practice and in the practice of governance at present. From this standpoint, the preference shown by the successive governments for the oldest people, for pensioners and annuitants, who do not represent the social base of support for the reforms, is debatable. Furthermore, it is a serious mistake not to offer political encouragement and program planks for those who leave school, who immediately join the ranks of the unemployed and are likely soon to abandon their positive response to the changes. Just as debatable are the economic preferences given to inefficient, conservative, and uneducated farmers, which should instead be given to housing construction, along with credit to be made available for the establishment and expansion of private businesses, or for educated and well-off farmers.

There is no need to add that in such cases the country's economic interests and its future coincide with the electoral interests of the proreform parties.

[Box, p 3]

### The Dividing Line of 4 June

In May, 31 percent of respondents claimed that, allowing for all the political, economic, and cultural factors, they would like the situation to revert to that before 4 June, 1989.

But for persons with higher education this proportion amounted to only 15 percent; for persons with incomes exceeding 1.5 million zlotys [Z] a month, 8-17 percent; and for persons in executive positions, 17 percent. By

contrast, for the jobless this proportion reached 45 percent; for persons with incomes of less than Z1 million monthly, 32-41 percent; and for persons with elementary education, 35 percent. Similarly, for the group of independent businessmen the percentage of those nostalgic for the communist system was markedly below the average, while for blue-collar workers and for farmers it was above the average (35-36 percent).

The "no" answer to the question itself was chosen by every second respondent. But, regardless of motivation, 75 percent of respondents with higher education did not want a return to the past, and neither did 71-75 percent of respondents with high incomes and nearly 80 percent of students. In contrast, the corresponding proportion of respondents in the group of those upward of 59 years of age and with low incomes shrank to 40 percent. Thus the division into two Polands seems fairly explicit. Those who benefited from the changes, or those who consider them as offering prospects for personal advancement in the future, usually are better-educated, younger, wealthier individuals who support a continuation of the changes. Those opposed to the changes are more often impoverished and elderly persons, on the other hand. Of course, a substantial segment of the impoverished, jobless, and uneducated people also does not desire a return to the situation prior to 1989, and the views of workers and farmers on this issue are almost evenly divided. Thus, the point rather is to indicate the manner in which views shift depending on social status.

#### Polish Goods for Poles

In the April poll, 35 percent of the respondents claimed that they are annoyed by the presence of foreign goods on store shelves, but this was accompanied by an extremely explicit polarization of views. Among the elderly (upward of 59 years of age) and pensioners this percentage reached and even exceeded 50 percent. Also relatively high was the percentage of the annoyed farmers, unskilled workers, and persons with low incomes. In contrast, among the young, persons with higher education, businessmen, and persons employed in private enterprises the number of enemies of foreign merchandise was only 12-25 percent.

#### A Looser Currency?

Financial and social concessions as a way of resolving conflicts are supported by barely every fifth Pole but opposed by more than 50 percent of people with higher education, more than 60 percent of persons with high incomes, 53 percent of businessmen, and 49 percent of executives. For the sake of accuracy it should be mentioned that the answer to this question was practically the same for every age group.

#### What Kind of Privatization?

The answers to the question—raised in a June poll—whether state enterprises should be privatized more rapidly were significant. Supporters of faster privatization exceeded only minimally opponents (42 versus 39

percent). But the findings were much more explicit in the following groups: young Poles 18 to 24 years old (about 55 versus 28 percent), persons with higher education (about 55 versus 30 percent), employees of private enterprises (61 versus 30 percent), executives (55 versus 38 percent), and businessmen (62 versus 26 percent). On the other hand, the age groups who were opposed were chiefly persons upward of 59 years of age (26 versus 46 percent), unskilled workers (32 versus 47 percent), and persons with elementary education (33 versus 42 percent).

#### NBP Bank Account Balances at All-Time Low

92EP0664A Warsaw RZECZPOSPOLITA (ECONOMY AND MARKET supplement) in Polish 1 Sep 92 p 1

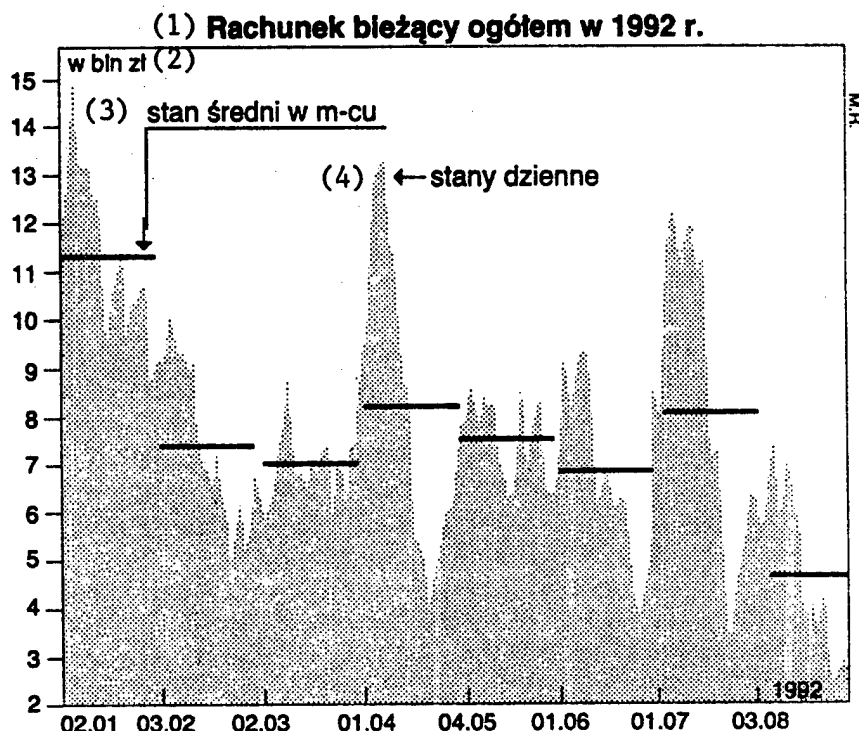
[Article by Pawel Jablonski: "Current Accounts at the NBP: Low Account Balances"]

[Text] At the end of August this year, daily bank account balances at the National Bank of Poland [NBP] were unusually low: about 2.5 trillion zlotys. As we know, banks settle up with each other by using accounts from the NBP. Therefore, banks should maintain in those accounts a certain amount of money that will protection against the occurrence of negative balance in them.

The current accounts at NBP do not accumulate interest. Keeping excessive amounts of money in those accounts does not give banks any profits; on the contrary, it means that those funds do not "work," and profits are smaller. A comparison of past daily balances of particular banks, even those similar in size, shows that the balance varied greatly, even by a factor of three or more. This means that some banks tried to operate their sources so they would "work" for them as much as possible.

There is no certain explanation why current balances in those accounts are so low. Certainly the consolidation of NBP bank accounts, which took place between the end of March and the end of May, had a big influence on the condition of the balances. As a result of this action, every bank (except for the Polish Savings Bank-National Bank) has one account at NBP; smaller reserves, preventing the bank from acquiring a negative balance, can be kept in this account. Before, every bank branch had its own account at NBP. One could predict that banks would gradually learn how to make use of the possibilities yielded by having one account. But the results of this occur only just now.

It is hard to say what other factors could influence the decrease of account balances. It is known that this phenomenon concerns all banks regardless of size. It is possible that the liquidity of resources decreased; the results of the auction of treasury bonds on 17 and 24 August could confirm this. We lack data on the balances of current accounts for the last few days; therefore it is hard to tell if the increase in demand for treasury bonds from the 31 August auction had anything to do with the balance increase.



## Key:

1. Total current accounts in 1992
2. In trillions of zlotys
3. Monthly average
4. Daily level

At NBP, the proportions between current account balances and the value of the state currency are calculated. This proportion is called the efficiency indicator. In December of the previous year it was 5.2 percent, in following months it was, in turn: 4.7 percent; 3.4 percent; 4.5 percent; 3.5 percent; 2.8 percent; 3.6 percent; and in July it was 3 percent. It is hard to say how high the indicator should be in order to be able to provide safe inter-banking clearance; and, at the same time, not so large that the money just sits there without making a profit. It is difficult to answer all these questions, but it is certain that such a situation is not a result of the collapse of the credit payments, because this comes up usually at the end of each quarter.

One should pay attention to the shape of the curve showing the daily balances of the accounts. It is clear that its character is periodical. On one hand we have here a quarterly cycle, caused mostly by settling accounts with the state budget (among other things, the payment of assigned obligation in dollars). On the other hand there is a clear monthly cycle—a result of the settling of accounts with enterprises—which accumulate sources for wages around the 20th of each month. The same day banks set aside required reserves from their deposits.

### Role, Problems of Ministry of Industry, Trade

92EP0662A Warsaw GAZETA PRZEMYSŁOWA I  
HANDLOWA in Polish No 34-35,  
30 Aug-6 Sep 92 pp 1, 3

[Interview with Wacław Niewiarowski, minister of industry and trade, by Henryk Nakielski; place and date not given: "It Worries Me"]

[Text] [Nakielski] Mr. Minister, of the three main participants in any economic process—that is, the owner, the employee, and the tax collector—it is of course the first who plays the role of the animator. It so happened, however, in the Polish economy, as it undergoes reforms, that, for reasons that are clear to me, it was the tax collector, that is, the Ministry of Finance, that first became the animator. Later that ministry was joined by the Ministry of Privatization, acting as a kind of middleman in real estate deals, and now it is Minister of Labor and Social Policy Kuron who is beginning to play the first fiddle. As for the Ministry of Industry and Trade, which is at least nominally a representative of the proprietorial class, in recent years it has increasingly acted as a receiver for the assets of the bankrupt Polish industry. I am aware of the reasons for these changes in



roles, but each such change is linked to a particular logic of action. Do you not think that, following a period of domination of the logic of the tax collector, the logic of the middleman in real estate deals, and lastly the logic of the employee (who after all is the subject of the activities of the Ministry of Labor and Social Policy), it is now the time for a greater influence of the logic of the proprietor in the process of the restructuring of our economy?

[Niewiarowski] Unfortunately, much of what you said is true. Of course, it is known why during the initial period of changes the role of the orchestra conductor was exercised by the Ministry of Finance and why nowadays it is Minister Kuron who has most often to discuss economic problems. But this does not change the fact that the logic of the proprietor, his distinctive way of thinking, has not indeed been a dominant factor shaping economic policy. As the changes went on, the Ministry of Industry and Trade was relegated to a secondary role—in my opinion, too much. As a result, important economic decisions began to be taken without consulting it extensively. Yet, as I began to realize in the first few weeks in my new job as minister, this ministry has drafted many interesting programs and accumulated a number of ideas deserving consideration. Much of this material was created with the participation of Polish and foreign experts who were paid high honorariums, and for this reason alone it would be a pity to pigeonhole it in the archives. Therefore, I consider it a priority task to reexamine these intellectual contributions, which are mildewing in the ministry's filing cabinets, and winnowing out whatever merits utilization or discussion so that I can present it at the forum of the Council of Ministers.

[Nakielski] Considering that the Ministry of Industry and Trade is finding it difficult to be again part of the group of strategic decisionmakers, how can it succeed in doing it now that the government is politically disunited? The fact is that policymaking positions at the ministries so far most active in shaping national economic policies—that is, the ministries of finance, of ownership transformations—and of labor and social welfare, are all three staffed with members of the "Little Coalition" [the Liberal-Democratic Congress, the Democratic Union, and the Polish Economic Program]. Let me ask you, is not this adversely affecting the opportunities of the ministry of industry and trade to be heard and have a part in decisionmaking?

[Niewiarowski] I had been apprehensive of this while the new government was being formed and soon afterward, but such is the nature of an office—and the government is a form of office—that coping with problems consolidates it and promotes overcoming internal divisions. The present government has enough trouble in governing this country, and thus it is hoped that it will not get embroiled in infighting, that there will be neither time nor desire for internal bickering. The situation in this country has created a drastic demand for reasonable ideas, and my hope is that the Council of Ministers will also want to avail itself of our ideas, or at least analyze them thoroughly.

[Nakielski] How do you see the role of the Ministry of Industry and Trade in the national government? I imagine that the role of a receiver of assets of a bankrupt industry is hardly acceptable.

[Niewiarowski] Administrative structures at the central level should reflect the structure of industry as defined on the basis of optimal criteria. Of course, industry can be classified in various ways, into heavy, light, small, state, cooperative, and private.... But the most rational division seems to be according to the importance of discrete sectors to this country. On the basis of this criterion, the entire industry can be divided into three principal groups. The first group consists of sectors of strategic, infrastructural importance to the state, with the state having to bear the responsibility for the existence and development of these sectors regardless of the organizational forms and modes of ownership applicable. I mean here principally the fuel-energy complex, the steel industry, the arms industry, chemical industry, and perhaps also the shipyard or pulp and paper industry.

The second group should include sectors of smaller strategic importance to the nation that, however, require the government's attention owing to their scale and, e.g., employment role. These could be exemplified by light industry.

Lastly, the third group consists of the remaining enterprises, chiefly those of regional importance.

The extent to which the state is to be involved in administration has to differ for each of these groups. Thus, as regards the first group, the state's involvement is considerable, as reflected, e.g., in the longtime drafting of so-called sector programs dealing with comprehensive restructuring of specified sectors. I consider it highly urgent to complete this work rapidly and begin to implement these programs. That implementation should be monitored by the state through the mediation of special agencies whose heads would be appointed by the prime minister on the recommendation of the minister of industry and trade, and in whose supervising councils a dominant role would be played by the Ministry of Industry and Trade as the ministry responsible for the state's industrial policy. Moreover, the supervising councils for such agencies would include as members representatives of the Treasury, the Ministry of Finance, and other institutions interested in the growth of a given sector.

As regards the second group, the Industry Development Agency should act at the central level as the coordinator and inspirer of restructuring programs, and it should be reinstated in its original role. That is because it seems to me that so far too great a role in this respect has been

ascribed to the banks and too small to that agency, thus making it impotent as it were.

[Nakielski] You mean financially?

[Niewiarowski] Among other things, yes. An agency that relies chiefly on jawing cannot accomplish much. The rule in this country, and a just one certainly, is that all the money goes first to the budget and only then is equitably allocated. But the problem is that the budget follows its own internal logic, its own priorities, and, above all, it has holes that, if they are plugged, result in a shortage of funds for the most important objectives, that is, for creating a manufacturing potential and for restructuring. Here I am thinking chiefly of the funds derived from privatization which, in my opinion, should serve precisely this objective. By transferring them to the budget we act a little like a proprietor who sells off his property piecemeal and spends the wherewithal. Anyhow, I believe that, were these funds to be directly allocated for industrial expansion, were privatization to be logically linked to economic restructuring, more such funds would be available, for then the logic itself of privatization would itself change somewhat.

Lastly, the third group should be coordinated by the Regional Growth Agencies. By grouping together representatives of the municipal authorities, banks, and institutions, they should stimulate regional economic growth. The Industrial Development Agency should also play a role therein, while the role of the Ministry of Industry and Trade in this case would reduce to the overall monitoring of consonance between the projects undertaken and the state's general industrial policy.

[Nakielski] Mr. Minister, the first of the five so-called government priorities is "Enterprise Structure and Privatization." What changes in enterprise structure are envisaged by the government?

[Niewiarowski] The published priorities have the form of general slogans defining the domains of special interest to the government in the near future. One such domain is the state enterprise together with its entire concatenation of internal problems, implications, and conflicts. The government wants to take energetic and practical ordering measures at the macro level, and in my opinion this is the government's opportunity and most important task, because we have too long been talking instead of acting, and that is why it wants first of all to act at the factory level, that being often the source of major social conflicts. This goal is to be promoted by the package of laws on state enterprises that is now being drafted, a package that, after consultations with trade unions and getting it passed by the Sejm, would clearly define rights, competences, and procedures, creating explicit and generally accepted rules of the game that would thereby afford an opportunity for social peace and enable the government to focus on matters of basic importance to the nation's economy.

[Nakielski] But does not this actually involve the question of the so-called Bermuda Triangle?

[Niewiarowski] No, although undoubtedly this is a problem that is closely linked to enterprise structure. But I believe that its solution does not require overcoming any special barriers. Sooner or later—better sooner—the institution of the State Treasury must be established and the issue of ownership formally ordered.

Commercial law must become the binding law code for all enterprises. The state enterprise will cease to be a vague creation; it will become a joint-stock company, in the form of a one-person Treasury company.

[Nakielski] When can we expect the resolution of the two issues most troublesome to enterprises at present: debt relief and the tax on wage increases?

[Niewiarowski] The law on the debt relief of enterprises is in the stage of legislative compromise. Thus, in this respect the issue is that of time and quality. We would like this law to take effect as soon as possible, but in a form satisfactory to us. Yet, for the time being, our position on several related issues differs from that of the Ministry of Finance.

Above all, it seems to us that this law, in its present draft form, gives too much preference to banks at the expense of enterprises; that it underestimates the role of the Industrial Development Agency, and lastly that it does not provide effective safeguards against contracting new debts by an enterprise that would be provided with debt relief. We are trying to convince the Ministry of Finance of our rationales, although at present it is still hard to judge whether we shall succeed.

As regards the tax on wage increases, that is a problem worrying the entire Council of Ministers, and ideas on how to resolve it are already generally known. Let me merely add that complete relaxation of this tax is not to be expected for a long time yet, because that is something that no country in an economic crisis can afford, not even if its crisis is not as deep as in ours. Of course, wage-limiting mechanisms are bound to vary, but they must exist.

[Nakielski] What is at present the greatest worry of the minister of industry and trade?

[Niewiarowski] Probably it is that the new government has become, immediately after its formation, embroiled in resolving a huge pile of minor emergencies, in having to calm social unrest, and in becoming at once staggered under the burden of daily problems. I am not belittling the importance of these problems, but, by being preoccupied with resolving them, the government has limited possibilities for attending to matters of fundamental importance to our country's future, and for taking those already often delayed measures that are its fundamental task.

Let me again refer to the topic mentioned earlier in this interview, that of the triple logic binding on the economy: the logic of the proprietor, of the employee, and of the tax collector. Economic activity is dominated

by the logic of the proprietor, and the goal of that activity is the profit motive: If profits are gained, wages and taxes follow, and not vice versa. Yet in this country we often confuse this sequence, thinking that it is wages or taxes that are the locomotive, so to speak. This is especially clear in the present situation. If the government's actions are dominated by issues of current wages or current taxes and not future profits, that government will soon now be cursed, because soon now the economy will not provide the funds to pay wages or taxes.

That is what worries me.

[Nakielski] Thank you for the interview.

### **Finance Ministry Faulted for 1991 Performance**

92EP0664C Warsaw *RZECZPOSPOLITA*  
(*ECONOMY AND MARKET supplement*)  
in Polish 2 Sep 92 p 1

[Article by A.H.B.: "The State Budget for 1991: Absolution for Whom?"]

[Text] What is odd about the case of the acceptance of the 1991 state budget performance report lies in the difficulty in finding a government that would be fully responsible for the case. Last year's budget was prepared by Tadeusz Mazowiecki's government. Jan Krzysztof Bielecki's government engaged itself into completion of the budget. The report on the performance of the budget was started by Jan Olszewski's government; the report itself was delivered to parliament by Waldemar Pawlak.

On Tuesday 1 September 1992, seven committees examined reports of the performance in 1991, in the ministries under their supervision. A session of the Parliamentary Economical Budget and Finances Committee is planned to meet next week; the committee will decide whether to recommend the 1991 performance report to

the Supreme Chamber. If parliament accepts the report, that means that the government will be absolved.

The report on the performance of the Ministry of Finances is the reason why representatives from the Parliamentary Economical Budget and Finances Committee have shown so much interest. Despite four changes in the budget bill, the Ministry of Finances could not adequately estimate the profits realized by this division. At the beginning it was planned to be 100 trillion zlotys [Z], then the amount was changed to Z400 billion; and the final report speaks of Z900 billion. There are more such differences between planned spending and profits. According to Deputy Wieslawa Ziolkowska, who read the report, part of the discrepancy comes from incorrect economic policy.

The objections to the Ministry of Finances's performance are, among others: failure to secure effective representation of the interests of the State Treasury, and lack of clear criteria in the tax relief system. Besides these factors, a lot of controversy was caused by the existence of the Office of the Ministry of Finances Counsel in Washington, and the purchase of five Japanese cars (Hondas).

According to the information given by Vice Minister of Finances Ryszard Pazura, the existence of such an institution is necessary because of the fact that such financial giants as the World Bank or the IMF have their headquarters in Washington. To be able to keep their Washington office, the Ministry of Finances needed Z1 billion last year. From their point of view the information given by their worker in Washington was more valuable than that of workers of the Ministry of Foreign Affairs.

The committee obliged the Ministry of Finances to deliver a written answer to all the objections connected with their budget performance.

The decision on acceptance of the 1991 budget for all three supreme institutions will be made during the Wednesday session of the committee.

**Croatia's Disagreements With UNPROFOR**

92BA1464D Belgrade POLITIKA in Serbo-Croatian  
14 Sep 92 p 6

[Article by Radoje Arsenic: "Croatia's Disagreements With UN Protective Force: Vance's Plan Has No Deadlines"]

[Text] *While President Tudjman is again claiming that he will extend his hospitality to UNPROFOR [UN Protective Force] only until March of next year, Marrack Golding is announcing in Zagreb that "there are no deadlines for Vance's plan."*

Zagreb, 13 Sep—The presence of the UN peacekeeping forces (UNPROFOR) in Croatia and the fact that Zagreb does not control almost one-third of the territory of the former SR [Federal Republic] of Croatia—is the theme that is most plaguing and disturbing the current Government in Croatia. This is understandable too, because it is precisely on this that the capability whether this is some government at all and how much it really is is being checked; this, naturally, is not pleasant for any government in the world.

This theme, among other things, has remained the principal base of the opposition in the recent election conflicts and precisely with this plan it has been most difficult for the ruling party. It has been accused of being incapable, and even of treason, since, with the entry of international forces, it has practically cemented the loss of sovereignty on the part of its territory cited (where a majority of Serbian population lives for the most part), and even of a situation where the current leaders of Croatia have concluded, beyond the eyes of the public, some agreements with the international community to the detriment of the territorial integrity of the Republic.

**A Joke About the UNPROFOR**

The government, naturally, is defending itself as best it knows how and can, but there still remains the unpleasant fact that a "whole Croatia" is not yet even in sight, and an additional weight in this context on the back of the regime is the very high number of refugees and exiles who still cannot return to their homes, while winter has already approached so near.

Especially poor is the situation with the numerous refugees from Baranja, who are constantly being promised that their return is near, but there is still nothing of this on the horizon, and this dissatisfaction is increasingly being directed at the Croatian Government with all the serious threats to "take things into their own hands." Such a result, however, would not bring them any special benefits, but just the opposite, but it is certain that such a "self-initiative" would worsen the position of the Croatian leadership still more and further complicate its relations with the international community, especially the UN.

The way things stand with the UNPROFOR in Croatia is illustrated in its fashion by one of the few political jokes

that can be heard at all in Zagreb recently, and it speaks about how the "UNPROFOR-ists" should be given a homeland (identification with Croatian citizenship). A well-known Zagreb lawyer and presidential candidate of the Socialist Party of Croatia at the recent elections, Silvije Degen—from whom we heard that joke—really believes that it could turn out that the UNPROFOR stays as long in Croatia as in Cyprus, and that is a very long time.

The fact is—he also says in a recent interview—that there are certain disagreements about the involvement of the UNPROFOR, but Croatia must resolve them through international institutions, primarily through the UN, exclusively through negotiations.

Pressured under such circumstances by their own public and increasingly nervous refugees, those in power are attempting to show in all ways how they are in control of the situation, even to the point where they are almost dictating the behavior of the UNPROFOR. The president of Croatia, Franjo Tudjman, is quite clear in this respect, and he repeated his already announced views at a constitutive meeting of the Assembly several days ago:

"We expect that the UNPROFOR will carry out its mission, so that we will not have to assume the resolution ourselves of these vital problems for the time of its mandate. For our part, we have made known to the Security Council representatives, and other international parties, that Croatia is not thinking about the extension of the UNPROFOR mandate past the expiration of the current one, at the beginning of March next year."

**Tudjman's Empty Promise**

Thus Tudjman is giving the peacekeeping forces a deadline of March 1993, and after that—go home. The question is whether he really thinks that way at all, or is convincing his own public of it for understandable reasons.

However, things are quite different. Assistant to the UN general secretary for peacekeeping operations Marrack Golding was also clear when he was in Zagreb several days ago. Explaining why there is a delay with the return of refugees and exiles, which is, by the way, one of the fundamental points of Vance's plan, he commented as follows to reporters on Tudjman's claim that UNPROFOR's action is late and he will not allow them to stay past March of next year: "I don't agree. There are no deadlines in Vance's plan."

This was also confirmed a couple of days ago in an interview with the Zagreb GLOBUS by the director of the Civilian Sector of UNPROFOR, Cedric Thornberry, who is directly responsible for the return of refugees to areas under the protection of UN peacekeeping forces. Also commenting on the above-mentioned statement of president Tudjman, he said: "As you know, the decision on the involvement of the UNPROFOR in the area of the former Yugoslavia was passed by the UN Security Council. The UNPROFOR action does not have, as

many think, a fully defined time schedule. This action, depending on the circumstances, can last for a longer or a shorter time.

"Viewed purely in a technical manner, we should stay here for as long as the Security Council, which gave us the mandate for action in these areas, decides. The Security Council created the UNPROFOR, so it alone is authorized to decide about our involvement."

#### What Is Affecting the Government

In other words, that means that neither Tudjman nor the other side will ask about a shorter or longer stay by the UNPROFOR in Croatia, since they already agreed on its coming, as well as on the conditions under which the UN peacekeeping forces came. And between them it has been clearly stated that the UN peacekeeping forces are supposed to maintain the cease-fire achieved in the areas under their protection (this is the area with a majority Serbian population), and to remain there until the conditions are created for the accumulated problems to be resolved in a peaceful and democratic way without the use of force, while the local government found in power will remain and the legal system found in effect will continue in the protected area until then, or the sovereignty of the Republic of Croatia will not extend into those areas until then.

It is precisely this that is most affecting and paining the current government leaders in this republic and all those who so scrupulously supported the destruction and downfall of the Yugoslav state.

How old is the national wisdom that the pitcher goes into the water until it breaks, while in this case the only question is until when that water can be drunk. Until March, judging from everything, and what will come afterwards—we'll see. Some evidently believe (or at least hope) that something will nevertheless be resolved by then from this whole tragic knot in which we have all become entwined, and then the statements made into the wind will no longer be important. Or it is only grasping at a little time, i.e., a pause, and afterwards—we will think of something else.

#### Data on New Presidential, Defense Councils

92BA1464B Zagreb NOVI VJESNIK in Serbo-Croatian  
12 Sep 92 p 5

[Article by Aleksa Crnjakovic: "Press Conference in the Presidential Palace: Five Advisers to the President"]

[Text] By decision of President Tudjman, instead of the Supreme State Council, two new councils are being formed: the Presidential Council and the Council of National Defense.

Zagreb—By decision of the president of the Republic, Dr. Franjo Tudjman, rendered on Thursday, the Supreme State Council is eliminated, and two new advisory councils, the Presidential Council and the

Council of National Defense, are established, in accordance with the Constitution.

This was the news that Dr. Jure Radic, head of the Bureau of the President of the Republic, presented to reporters at a conference on Friday in the "Zagorje" villa. In addition, the reporters learned the names of the members of both advisory bodies immediately. In the Presidential Council are Stjepan Mesic, president of the Assembly; Hrvoje Sarinic, president of the Government; Josip Manolic, head of the Bureau for the Protection of Constitutional Order; Dr. Jure Radic, head of the Presidential Bureau; Dr. Zarko Domljan, vice president of the Assembly; Vladimir Seks, vice president of the Government; Ivan Milas, vice president of the Government; Dr. Mate Granic, vice president of the Government; Darko Cargonja, vice president of the Government; three state ministers—Gojko Susak, minister of defense; Ivan Jarnjak, minister of internal affairs; Dr. Zdenko Skrabalo, minister of foreign affairs; Dr. Pero Jurkovic, governor of the National Bank; Ivica Gazi, president of the Croatian Economic Chamber; Ivan Aralica, president of the Council for the Strategy for the Development of Croatia; Dr. Ivic Pasalic, president of the Executive Council of the HDZ [Croatian Democratic Society]; Antun Vrdoljak, director of HRTV [Croatian Radio and Television]; Mladen Vedris, president of the Executive Council of the Assembly of the city of Zagreb; five presidential advisers, Dr. Miomir Zuzul, national security adviser; Dr. Zeljko Matic, foreign policy adviser; Dr. Zvonko Lerotic, internal policy adviser; Dr. Emilijan Primorac, economic adviser; and the adviser for social activities, who has not yet been named. Therefore, the Presidential Council will have 23 members, and the secretary will be Dr. Marko Zaja.

As Dr. Rajic emphasized at the conference, the council is the advisory body to the president of the Republic, and it will consider all essential questions of state-political work, as well as coordinate the activities of the supreme representative executive bodies. It is expected that the first meeting of the council will be held during the course of next week.

On Thursday President Tudjman rendered a decision, also in accordance with Constitutional decree, on naming the members of the Council of National Defense of the Republic of Croatia, on which there will be 14 members. They are Josip Manolic; Stjepan Mesic; Hrvoje Sarinic; Dr. Jure Radic; Gojko Susak; Ivan Jarnjak; Zdenko Skrabalo; General of the Corps Antun Tus, head of the General Staff of the HV [Croatian Army]; General of the Corps Janko Bobetko, adviser to the Ministry of Defense of the Republic of Croatia; Admiral Sveto Letica, commander of the Croatian Navy; Lt. Gen. Ivan Cermak, deputy minister of defense of the Republic of Croatia; General Mira Agotic, commander of the Croatian Air Force; General Josip Lucic, deputy minister of defense of the Republic of Croatia; and General Slobodan Praljak, deputy minister of defense of the Republic of Croatia. A secretary, whose name is not yet known, will also be appointed, and there will be a

chairman of the Military Cabinet of the president of the Republic. The Council of National Defense is also the advisory body of the president of the Republic as the supreme commander of the armed forces.

As Dr. Jure Radic informed the reporters, the Council of National Defense will consider all essential questions in the organization and use of the armed forces and state security, as well as the overall preparation of the country for defense. The first meeting of the members of this council will be held on Friday afternoon.

Explaining the reasons why these two councils had not been established earlier but the Supreme State Council, coordinating both activities, had assumed their role, Dr. Radic said that the basic reason was in the Council of National Defense. Namely, if that council had been established earlier, it would have had to include, according to the "power of function," commanders of all former military spheres, i.e., Yugo-generals, enemies of Croatia.

The head of the Presidential Bureau also acquainted reporters with some other changes in the organization of the Presidential Bureau. Thus, the president of the Republic has had only five advisers since Thursday. There have been many stories in public, of which many are unfounded, about the great number of presidential advisers; people have even spoken of 20 or 30 advisers, although there have never been that many.

The new presidential adviser for national security is Dr. Miomir Zuzul, for foreign policy, Dr. Zeljko Matic, for internal policy, Dr. Zvonimir Lerotic, for the economy, Dr. Emilijan Primorac, who is arriving from abroad, and as a well-known Croat has dealt with many foreign universities. An adviser for social activities will soon be named.

In addition to technical services, several sections will operate in the Presidential Bureau: a section for decrees and decorations, for complaints and accusations, for pardons and abolition, a Military Cabinet and several other sections the organization of which is now being worked on. President Tudjman also rendered a decision

that the permanent residence of the president of the Republic of Croatia will be the previous "Zagorje" villa, which is now called the Presidential Palace. The name change, Dr. Radic said, has a base in the names of similar buildings in Croatian history. "Villa" is a concept for temporary residence, and not for the domicile of a head of state. When conditions allow, the Presidential Palace will be renovated, and the construction of another annex for presidential services is planned.

The Governor's Palace will serve the protocol purposes of the Republic of Croatia, after it is fully renovated following last year's enemy rocket attack. President Tudjman will receive citizens of Croatia in the Governor's Palace once monthly.

To the reporters' question whether Dr. Miomir Zuzul, with his appointment to the adviser's post, ceases to be the deputy minister of foreign affairs, Dr. Radic said that he is remaining the deputy until staffing questions in the Ministry of Foreign Affairs are resolved. To the reporters' question whether the name of the Presidential Palace has already been defined in English and other languages, Dr. Radic said that this had not yet been done.

[Box, p 5]

#### "Zagorje" Villa Changes Name

The "Zagorje" presidential villa is changing its name, and will be henceforward called the Presidential Palace, in accordance with Croatian tradition, while the Governor's Palace, when it is put in order, will serve the protocol purposes of the Republic of Croatia.

[Box, p 5]

#### President Receives Citizens

Perhaps as early as next week, but in any case very soon, president of the Republic Dr. Franjo Tudjman will receive citizens of the Republic of Croatia in the Governor's Palace once monthly, in order to listen to their comments, requests, accusations, or praise.

## Defense Ministry on Possible Spillover of War

92BA1475C Ljubljana DELO in Slovene 22 Sep 92 p 2

[Article by Romana Dobnikar-Seruga: "Slovenia Could Become the Victim of Retaliatory Measures"]

[Text] *Even if Serbia and Montenegro decided on retaliatory measures, these two republics do not have enough weapons for Slovenia to suffer any serious consequences; pessimistic predictions by Defense Minister Janez Jansa.*

Ljubljana, 21 Sep—Slovenia is outside the direction of a possible spread of the conflict, but it can count on several indirect consequences of the war in Bosnia-Herzegovina. That is how Defense Minister Janez Jansa, at today's joint meeting of the commission on defense and the commission on international relations, assessed Slovenia's defense and security situation. With respect to cooperation with neighboring states in the area of defense, one could conclude from his appearance at the meeting that it is most successful with Hungary and Austria, that "there are no particular problems with Croatia, but there is also no close cooperation," and that Jansa will meet with his Italian counterpart next week.

In the event of international military intervention, Slovenia could be the victim of partial retaliatory measures by Serbia and Montenegro, but with the means that they have at their disposal they could not do major damage, Jansa said. As other possible dangers to Slovenia, he also listed the activity of sabotage-terrorist groups, conflicts between the Serbian and Muslim communities in Slovenia (which are fortunately still rare), the arrival of members of foreign armed forces in Slovenia on leave to visit their families, and also the unresolved problems with Croatia, which are being exaggerated. In the defense minister's opinion, the war in Bosnia-Herzegovina could have three outcomes: a peaceful settlement, Lebanonization of the situation, or even a spread of the conflict to Kosovo, Sandzak, and Macedonia. The minister's predictions were rather pessimistic: One cannot expect foreign military intervention before the spring, and from a military standpoint, without abundant foreign assistance Bosnia-Herzegovina will never be a unified state, even a federal one.

In the discussion, the deputies asked Minister Jansa additional questions, primarily concerning the refugees (Jansa: "It is estimated that another half million people could leave Bosnia-Herzegovina, but Slovenia has no capability of accepting new refugees"), oversight over the KOS [counterintelligence service] ("Legal grounds would be required for operational oversight of it, but the necessary legislation does not exist," Minister Jansa explained), and the buses taking "religious warriors" from Slovenia to Bosnia-Herzegovina (Jansa "Slovenia always reacts if it involves the transportation of weapons"). Deputy Ivan Lovse, however, asked whether a defense plan had been coordinated with Croatia for the Krsko nuclear power plant, and warned about the poor protection of nuclear waste. Janez Jansa, asserted that the Yugoslav Army did not have a weapon that could

penetrate both of these reactors with one strike. At the same time, he warned about two critical points in the Slovene defense system: antiair defense, and protection of territorial waters, which parliament is also supposed to discuss this year.

Because of the international embargo on the sale of weapons, which still applies to us as well, international cooperation in the area of defense is limited to just exchanging information on the situation in the region and experiences in organizing and training armed forces, and on legislation in this area. Cooperation with the Hungarians is the closest, since we have signed an agreement on cooperation within the framework provided by the CSCE. The kind of intergovernmental defense alliance that Slovenia advocates is shown by its intention of joining the EC, which also means agreeing to a joint defense policy, Minister Jansa emphasized.

## Assessment of Drnovsek's First 100 Days

92BA1431B Ljubljana DELO in Slovene 12 Sep 92 p 19

[Article by Silva Ceh: "The Government Is Not Afraid of Black October"]

[Text] *One hundred days of Drnovsek's government is too little for either criticism or praise, but it is nevertheless a time when one can already take a first small inventory. What, then, is happening with the government's economic policy measures, which Drnovsek's ministers established in June and July, and at least at press conferences, predicted the deadlines for their implementation, in the style of decisive cavalrymen?*

Rigelnik says today, "I would highlight as a success the stable conditions that we have given the economy. We freed up imports and thus put pressure on prices, and thus indirectly reduced enterprises' costs, and not least of all, also enriched tourist facilities. Since we have been in the government, not one price has risen in the public and state sector, and I think that there have not been any new losses in it either. With the government's involvement, interest rates have fallen drastically, and because of the decline in inflation, the capital R [revalorization] is still just a symbol. I am convinced that at this time the exchange rate policy is an incentive for exporters.

"Today (on Tuesday), we are opening an export bank. The decrease in the budget deficit, also as a consequence of the change in denomination, means less pressure on taxpayers—and that is certainly positive." The list of measures and laws that Finance Minister Mitja Gaspari is responsible for within the framework of the government's economic policy is extensive, perhaps the most of all. He says:

"The basis and philosophy of the government's economic program is how the government's economic measures can support the Bank of Slovenia and reduce the burden on it. These are thus measures that are supposed to stabilize the economy and help to have this stabilization maintained with the lowest possible social and



economic costs. In the final phase, these measures primarily represent support for the Slovene economy."

The fundamental failure, i.e., one of the 29 government measures and laws that were finally presented in their entirety in the second half of July, is, as Rigelnik answers without hesitation, the financial rehabilitation of the banks. The fundamental bank rehabilitation laws are waiting in parliament. Gaspari is convinced that without legal regulation of the financial rehabilitation of banks and the privatization of enterprises, it will be difficult or impossible to maintain the economy's stabilization at the level that has been achieved. It seems interesting that the finance minister actually does not have good words to say about the law on privatization: "The law is a poor one, but it is still better than our not codifying the area of privatized social property in Slovenia." He is disappointed by the behavior of the Assembly deputies when they discuss the law on the financial rehabilitation of banks: "I have not heard a single serious argument against this law. The most vocal of them are not even close to having an idea about how to carry this out in practice. As long as there is no better plan for the financial rehabilitation of banks and the public debt associated with it, it is also senseless to say that the government's plan is bad."

It is clear that the fundamental economic systemic laws are in parliament's hands. The government, as Rigelnik feels, does not expect major difficulties in the fall in implementing economic policy, and: "I only expect them where parliament is behind them." Perhaps the government did not count on Assembly "blockades" seriously enough? Gaspari denies this, saying that it accepted them as one of the possible facts. He is bitter, however: "What they are criticizing us for—'Aha, now that we have not passed (the laws), you want to do the same thing indirectly, without asking parliament'—is simply not true. We are implementing measures which are part of the package of laws waiting in the Assembly, to be sure, but we are only going ahead with those things for which we have possibilities with respect to the legal framework and the government's powers."

Now, in the first months of fall, the government's priorities will be as follows, as Rigelnik listed them: continuing the established economic policy; negotiations with the trade unions, which should coordinate their desires with the government's stabilization goals; audits of the operation of public enterprises and the methodology for regulating prices in the public sector; the imminent passage of the law on public economic companies and the establishment of a public holding company; a program for foreign trade and customs protection, and also the determination of trade cooperation with COMECON [Council for Mutual Economic Assistance] states and the states of the former Yugoslavia; seeking possibilities for exporters in East European markets; and also, as part of this foreign sector, the regulation of relations with foreign creditors. Fiscal and financial policy still remain strict, i.e., with strict control over budgetary revenues and expenditures. This includes

seeking possibilities for continuing to reduce burdens on the economy. Rigelnik is announcing new laws on book-keeping, financial oversight, and the insurance of payments. Last among the "fall" measures, but already in central place during the summer, is the financial restructuring of enterprises and banks.

### **We Have Public Debt, Even If We Do Not Admit It**

The basic problem that we have to be aware of is public debt, which still exists in a nontransparent form. Public debt cannot be expressed to the exact decimal point. Those who claim that it can are showing their ignorance and unfamiliarity with the problem. The Slovene economy already has that debt in bad loans and in the banks' bad assets. The problem is that it does not admit this, and that is why we are using normal economic mechanisms abnormally. It is thus not a question of incurring any new debt (intentionally) for our people. Because this debt is not being acknowledged and resolved, we are having problems with income distribution and the efficiency of enterprises; less profitable investments; and economic stagnation, or even recession. This explanation is from the finance minister, who is convinced that without reconciling ourselves to public debt, there will be no solution for the assets side of banks' balance sheets; there will be no solution for interest rates and their structure, or for banks' efficiency and profitability, or the reduction of the bank margin. According to Gaspari, "The cost of public debt will have to be acknowledged, and it can be acknowledged by law. The more we put off the legal aspects of solving this problem, the higher the costs of financial rehabilitation will be."

Just as there are duels over whether the state should decide by law to accept this public debt—with different slants, and often primarily unprofessional ones—it is interesting, on the other hand, that the Slovene state's public debt for deposited foreign exchange assets is not so questionable. According to Gaspari, "These are claims that the banks have. These claims should have explicitly stayed at the banks as claims upon the NBY [National Bank of Yugoslavia]. That way, last summer the Slovene state took this over in advance, and thus lost many of its advantages in the negotiations on succession. I certainly do not understand this, and I never will."

### **Measures To Curb Interest Rates**

We can expect the real results of the measures cutting the ungovernable madness of bank interest rates sometime around the end of the year, with the expiration of the first rounds of the state guarantees forcing banks to loan enterprises money at interest rates of 12 percent, which are bearable in our situation. The government is announcing a new round of these guarantees as early as the end of this month. Something is thus nevertheless changing in this state of ours, namely, the government is almost forcing banks to accept state assistance in lowering interest rates. What else is left for them, who have gradually become hated by the entire Slovene people?



And if government ministers are saying it publicly, they are probably saying so even more in strict business meetings: "If you do not cooperate, we will not stand by you in what is most painful for everyone, i.e., financial rehabilitation."

The first such measures certainly include what the ministers called the "12-percent measure," which, with a 5-billion-tolar guarantee, has at least for now to a certain extent shaken the interest-rate parasitism of Slovene commercial banks. The measure is intended for the best Slovene enterprises, which as a rule are exporters. The state has consequently offered an alternative, and cut the completely unfounded 25- and 30-percent interest rate to 12 percent. Of course, this applies to six-month loans, which are borrowed by exporters from commercial banks within the framework of this 5-billion guarantee project. This, of course, cannot be a lasting solution for reducing what Dr. Ludvik Toplak would call usurious interest rates. Of course, as Gaspari views it, it is an action by the state, which can use such a guarantee to separate liquidity risk from the interest rate structure and thereby emphasize that Mr. Toplak is forgetting that profit is not the only element in the interest rate. Allegedly, in the beginning the banks booed this government project, but finally 16 Slovene banks joined it—including those which fell asleep in the beginning, like Ljubljanska Banka—and even did so with a proposal to double the state guarantee capital (i.e., increase it to 10 billion tolars). The first possible conclusion is thus that the all-powerful banks, the state within a state, have started to take the young Slovene state more seriously. As early as the end of September, as stated, they will be able to join in the game again. The Finance Ministry, in fact, is announcing the next 5 billion tolars with which the state will assault the fat Slovene banking system.

Even more than this measure, however, it seems that the government is concerned with an attack on interest rates—those in the interbank market. The Bank of Slovenia and the Finance Ministry have carried out this attack together. How? They participated in loaning money in this market at a substantially lower interest rate than the usurious banks, which also offered their liquidity surpluses in this market at the interest rate of 35 percent. The decline in this interest rate to 17 percent (the trend is still downward) is certainly a success, even if a temporary one. Rigelnik characterizes this fact as a drastic decline in interest rates. Gaspari, however emphasizes: "The decline in these interest rates is very important, since they are a reference point for other interest rates. Of course, we cannot substantially lower them any more without the passage of the corresponding laws."

If the "12-percent measure" has, in a way, already taken root among Slovene banks, nothing like that can yet be asserted of the so-called government "tax credit." Here as well the government is forcing banks to choose on their own the enterprises that should be exempted from paying taxes and contributions to the state for six

months (contributions for retirement and health insurance are not direct state taxes and contributions), and provide guarantees for them. What, then, is responsible for the banks' hesitation? Is it that it will be necessary to start paying the postponed payment after six months, and moreover, converted to European Currency Units? Or is it that at such enterprises wages are not supposed to rise above 85 percent of the republic average; that trade union guarantees of "social peace" are necessary; that the enterprises are prohibited from entering into new investments; and that a decisive no is also necessary for establishing new enterprises within the framework of the existing one? The most vocal resistance is coming precisely from the banks (so far they have only sought out ten enterprises), which are appealing to the government: "Why are you forcing us to choose these enterprises and issue guarantees for them?" The government, however, answers drily: "Because you are the main creditors of those enterprises, where you are jointly responsible for their fate." The government has allocated 3 billion tolars for this "tax credit." The banks' resistance is understandable in a way, since in a different way than the above-mentioned "interest measure" it is intended for enterprises that are in serious difficulties, but still not so serious that their only future would be in bankruptcy.

#### Preliminary Rehabilitation Has Already Begun

These measures can also be seen from a different point of view, since through their effects they are nevertheless starting the financial rehabilitation of the economy: both good enterprises, and also those which still have a future in spite of their difficulties. The law that is supposed to deal with our enterprises' claims against Iraq and the former Yugoslav military supplier is also part of this preliminary financial rehabilitation project. As Rigelnik hopes, parliament is to pass it in urgent proceedings. It would also solve some of the solvency problems that enterprises have because of the loss of the above-mentioned markets. How? By having the state buy up these debts; and there should not be any fears, which are already appearing, that in doing so the state would forget about the small suppliers and contractors, since it vows that it will treat all participants equally, on the basis of documentation confirming these claims.

Regardless of how much the above measures have already roused the Slovene economic machine armed with pessimism, that pessimism is not superfluous at all, in view of the disastrous business results, but on the other hand, it is generating and spreading a pessimistic milieu. The latter is therefore constantly demanding a higher foreign currency exchange rate, stimulating inflation, and unconsciously (really?) preserving the inefficient and nonmarket behavior of banks and enterprises. Following the line of least resistance, they are recognizing the relatively simple dismissal of workers, etc., as a shortcut to market operation—it seems that the government has nevertheless replaced the term "cleaning the dirty socialist table" with opening the drawers of that table. This is supposed to be confirmed, not least of all, by the preliminary financial rehabilitation proceedings

at three Slovene banks—one each in Ljubljana, Styria, and Primorsko, as Gaspari said, still being mysterious. "If there had not been any proceedings at these banks, today we would be facing the things that Mr. Gros is so fervently recommending—that we should rush the banks into bankruptcy. I would be glad if any of those deputies who are so vehemently advising bankruptcies would be present if any of these banks really did have to declare bankruptcy. Then I would also invite foreigners to comment on that kind of economic policy and that conduct by the government. There is no state in the world that would permit itself the luxury of calmly demolishing its financial structure. What is being done now in these preliminary rehabilitation proceedings is a preparation for rehabilitation. Without these preparations, bankruptcy would occur in them automatically," Gaspari said.

### Korze's Measure

According to the government officials, the high point of all these summer prerehabilitation preparations will be the measure that in its first phase is being called the announcement of a competition for state assistance to enterprises operating at a loss, held by the Republic Development Fund. That fund, as we know, is headed by Uros Korze, whom the government also appointed this summer as head of the subproject for the restructuring and privatization of enterprises. Special expert groups from this fund will give the final verdict on how much the registered enterprises (the competition expired on Monday) were mistaken about their difficulties and prospects, if they did not even lie. And, of course, they will say who and what is worth putting into the purgatory of rehabilitation, what to privatize, and who is ripe for bankruptcy. In contrast to the above-mentioned "interest," "tax," and similar measures, which are nevertheless gradual and are therefore called prerehabilitation measures, "Korze's" is much more direct. That is also how one can understand Gaspari's explanation that the more active banks could use them to carry out financial rehabilitation proceedings, in some cases even to the extent that they would be spared from encountering Korze's laboratory. The latter, in fact, in view of the international expert assistance already announced this summer, will certainly not be lenient.

### Spoiled Slovenes

At a time when fall explosions of strikes have been announced, it is of course heretical to talk about spoiled Slovenes. If the estimates by Rigelnik and Gaspari are correct, however, Slovenes' average wage is 600 German marks. Rigelnik is convinced that that wage is far above the economy's capacity. Or, in Gaspari's opinion, the economy simply cannot endure such wages and super social benefits. Half of what was otherwise announced would be a "black September" has already passed, and consequently the deputy prime minister also does not believe in a "black October"—a month when the potential bankrupts frozen by the moratorium would be

thawed out, i.e., there would be an explosion of bankruptcies. "If it went past bearable limits, the government would intervene."

After the significance of the government's economic policy measures, increased control of public spending is just as important or perhaps even more important than the above-mentioned ones. This time we have deliberately stayed with more direct measures, i.e., banking and enterprise prerehabilitation ones. This, of course, does not mean that the Finance Ministry, as the operational inspector of the state treasury, is not punctiliously overseeing where state money comes from and where it goes. Last of all, it is announcing new taxes, from the oil tax, which it will repeat soon, obviously encouraged by the successful influx (1.8 billion tolar), to the tax on profits (its effect is calculated at a billion tolar). It is especially announcing taxes which, in the final phase, would put pressure on thieves of social property (the tax on firms is associated with bypass enterprises).

It is true that there is still no simplified transfer account that would allow the finance minister complete oversight of the expenditures and revenues of the consumers of budget money. According to Gaspari, this is because it is a demanding project that will already be in government proceedings in October, and will at any rate be ready for the 1993 budget, and not because of opposition from any individual ministers. Also responsible for incomplete control over public spending is the fact that the integrated budget introduced by the previous government is a partial one, since two important areas of public spending—the pension fund and starting with this year health insurance as well—are not under the control of the state or the government. New rates of contributions for these funds would thus cause the share of public spending in the total social product to be approximately 48 percent. Nevertheless, as the finance minister defends "his" part of the budget, the ratio between the state budget and the above-mentioned funds is 21:27. In other words, the state budget is about 21 percent of the social product, which is not an excessive figure in view of international experiences.

Criticisms of Drnovsek's government, which changed the denomination of the budget this summer, are a more or less constant factor in opposition attacks. How does Gaspari respond to them, and talk about the consequences of the change in denomination? He is convinced that if they had not decided on it, the budget could not have been implemented. Even now, in September, there would be a shortage of money for wages for those who are paid by the budget. The state would have been simply incapable of financing the deficit, which would have increased if we had stayed with the basic budget items—and so forth. Of course, a merely redenominated budget has not structurally changed the state treasury. It does not matter whether the author of the structural changes in the budget will be Gaspari who says he is particularly in favor of creating an appropriate social network that

will help to alleviate the consequences of the rehabilitation, bankruptcy, and privatization of enterprises, or someone else—in both cases they will be necessary.

### Possible Party Alliances for Elections

92BA1476A Ljubljana DELO in Slovene 24 Sep 92 p 2

[Article by Veso Stojanov: "The Merging Between Parties Before the Elections Is Slowly Ending"]

[Text] *While almost everything is already clear on the right-wing side, the alliance is still being strengthened on the left; the Democrats are the only ones afraid to stay by themselves; the Social Democratic Party has been abolished; with the assistance and under the name of the SKD [Slovene Christian Democracy] in parliament.*

Ljubljana, 23 Sep—Somewhat more than two and a half months before the parliamentary elections, talks and agreements on possible preelection alliances, coalitions, and other forms of cooperation among the parties that have decided to appear in the elections have become more intensive.

On the right-wing side of the party spectrum, the current opposition parties have agreed that they will nominate joint candidates for the State Council elections, and next week they are to sign an agreement on the joint formation of a government, if they possibly collect more than 50 percent of the votes in the elections. We can already state with certainty, however, the Christian Democrats and probably also the Slovene People's Party will act independently in the State Assembly elections. There has also been haste on the left, since a few days ago they publicly presented the Workers Social List, which will be formed by three parties: the Reformers, the Democratic Party of Retirees, and the Workers Party. This informal association did not cause surprise among political observers, since it has already been known for a long time that the Democratic Party of Retirees of Slovenia is essentially the Reformers "senior citizens" organization, which malicious people also call "Popit's retirees."

For some time now the Workers' Party has also been said to be a "dependency" of the SDP [Social Democratic Party], since allegedly a majority of the members of the Workers Party's leadership have joined the SDP.

A majority of the members of the Social Democratic Union, and several of the more prominent figures in the Christian Socialists, will also cross over to the "Reformers" Workers Social List. At today's meeting of the main committee of the Social Democratic Union, in fact, a majority of the members decided to join the Reformers list, while a minority will try to cross over to the Socialists or the Social Democrats. The Social-Democratic Union has actually thus abolished itself. Until today, in fact, they had four possibilities to choose from: either to join the Reformers (as they have in fact done), or to suspend the party's activities (today they even cut through that dilemma and actually abolished themselves), or to act independently in the elections (this

would have been almost impossible because of the lack of money and suitable candidates), or to join the Socialists and the Social Democrats (which the minority part of the party decided to do). The Christian Socialists already decided two days ago that they would not participate in these elections, but several of their more prominent members will allegedly join the SDP's Workers Social List.

Most of the ambiguities and unresolved issues are still at the center of the political scale. The only thing clear is that the Liberal Democrats will act independently, while the other smaller parties in the ruling coalition are still talking about how they will approach the elections. The most likely possibility is that the Socialists, Social Democrats, Democrats, and Greens will thus go into the December elections on their own, although the possibility of a more or less united approach cannot be ruled out. According to our information, quite intensive talks are under way between the Socialists and the Social Democrats on the possible formation of a joint list, although both parties' leaderships say that the parties have more of a possibility of success in the elections if they act independently. A few days ago the Democrats, who are the only ones afraid to stay by themselves, began talks. Because of their political action to date and the personal characteristics of several of the Democratic Party's leaders, after the elections neither of the parties favored in the December elections, i.e., the Liberal Democratic Party or the Christian Democratic Party, would accept it into the government coalition.

The Democrats and of course the Socialists, Social Democrats, and also the Greens, who have already expressed willingness for talks with all three of the smaller parliamentary parties, have actually been forced to decide on some sort (either more binding, or loose) form of joint action in the elections—if not before the elections, then certainly after them, since with the expected majority for the Liberal and Christian Democrats in the elections, it may happen that all four of these smaller center parties will find themselves in the opposition, especially if one can believe the announcements that the Liberal and Christian Democrats are already negotiating on the possible composition of the government after the elections.

The outcome of the talks among the smaller center parties will be known by the end of next week at the latest, i.e., by the beginning of next month, when the elections will also be officially scheduled. Their possible joint or coordinated action in the elections would in fact mean a rather strong third bloc opposed to the two favored parties. It is also in this light that one should view the attempts by the smaller parties on the right to have the Christian Democrats give up on an independent approach to some extent. The smaller parties, primarily the National Democrats and the Liberal Party, and to a certain extent also the People's Party, would get into the new Slovene parliament with the assistance of and under the name of the SKD.

**Intergovernmental Wiretapping Under Investigation***92BA1475B Ljubljana DELO in Slovene 22 Sep 92 p 1*

[Article by Miran J. Lesjak: "The Assessment of the Wiretapping Scandal Is Not Yet Final"]

[Excerpt] *The Council for Protection of the Constitutional Order behind closed doors on security problems; "I reject the Council's legitimacy."*

Ljubljana, 21 Sep—The republic Presidency's Council for Protection of the Constitutional Order today discussed Joze Skolc's proposal that the Council discuss aspects of the so-called wiretapping scandal, which was launched by certain statements made by Minister Janez Jansa in his book *Shifts* and intensified by the memoirs of Presidency member Ciril Zlobec. The Council members did not agree either with Skolc's initiative or with today's proposal by Janez Jansa that it also talk about several other possible security consequences for the state, and left discussion of these delicate topics to the republic presidency.

Let us recall first of all that in *Shifts* Janez Jansa wrote, among other things, that foreign countries and the federation, because a certain Slovene politician was too talkative, found out ahead of time about the date of actual Slovene independence, which was otherwise strictly protected. In subsequent polemics, it turned out that the book's author had in mind Ciril Zlobec's conversation with the Italian ambassador. Since only Zlobec and the above-mentioned foreign diplomat participated in the conversation, the question soon arose of how Janez Jansa had come by the information about the conversation. While interpretations were circulating in public that the competent secret services had probably wiretapped the foreign state's representation, Joze Skolc, in his written proposal to convene a session of the Council, implicitly also allowed the possibility that the secret services had been wiretapping the telephone conversations of Slovene politicians. Wiretapping as the means of collecting information on the conversation between him and the ambassador was also finally mentioned by Ciril Zlobec as well, in his article "The Charm and Power of the Felt-Tip Pen," published on 5 September in our Saturday supplement. In it, he enigmatically wrote, among other things, that he could have examined documents that would have proven his mistakes, but officially these documents "do not exist, because they are not supposed to."

As expected, the meeting of the Council for Protection of the Constitutional Order was closed to the public, but the Council members informed the public about their decisions in a special communique. Minister Janez Jansa thus thought that it would be necessary to discuss the possible state security consequences that would arise through Zlobec's statements in the Saturday supplement and his book *It Is Wonderful To Be a Slovene, But It Is Not Easy*. Jansa also added that in this context it also

would have been necessary to discuss the security consequences of the meeting between several opposition parties and Ante Markovic, which was on 12 June 1991, and the meeting of the Liberal Democratic Party leadership on 27 June 1991. After a stormy debate, the Council members agreed with all the proposals that were made, which are to be discussed together with the republic Presidency.

**[Box, p 1]**

Council member and leader of the National Democrats Rajko Pirnat rejected the legitimacy of the activity of the Council for Protection of the Constitutional Order after the adoption of the new constitution. Pirnat later told reporters that he would demand that the Assembly chambers discuss the "wiretapping scandal" at one of their future meetings. Since these are things that are classified as state secrets, in his opinion the chambers should also address them without the presence of reporters.

**TV Ljubljana News Director Rejects Criticism***92BA1472B Ljubljana SLOVENE in Slovene 23 Sep 92 p 2*

[Interview with Lado Ambrozic, managing editor of Slovene TV's news program, by Ciril Gale; place and date not given: "I Fully Understand Dr. Jerovsek"]

[Text] Since Dr. Jerovsek took over the leadership of Slovene RTV [Radio-Television], a wave of criticism has poured into this most important Slovene media institution, and this is one of the reasons for his resignation. Among other things, he was criticized for starting with a personnel purge, and for starting to create a progovernment television and radio program. Since Dr. Jerovsek cannot be reached these days, we asked Lado Ambrozic, the news program's editor, who is also the target of most of the criticism, for an interview on the current television problems.

[Gale] Mr. Ambrozic, you are one of two editors appointed by the general director, Dr. Janez Jerovsek. Do you think that he really made so many mistakes that he had to resign, and do you agree with his justification for this step?

[Ambrozic] The Slovene RTV Council should have suggested to him at the beginning of his term that he look for a few good lawyers and financial experts, who are necessary for an organization like Slovene RTV. I must also say that Dr. Jerovsek is the first general director who worked. None of the previous general directors was the kind of person who would come to this position with the ambition of doing something. They all had the LC [League of Communists] behind them, the apparatus, and likewise support in the company, and all of them in turn were only party personnel and nothing more; and no one, including the trade unions, ever criticized any of them, much less dismissed them.

[Gale] You have also been a target of criticisms.

[Ambrozic] A month after I became the managing editor of the news program, i.e., after the June war, which was my first and biggest test, DELO was already announcing that I had removed several reporters. I was likewise criticized for having a persecution complex, for not letting people work, for favoring only yes-men, for being corrupt, and for not having a vision for the program. DELO also continued its attack later on, but these were mostly tasteless little lies, for which no one ever apologized to me, even though I demanded it from the editors.

[Gale] The attacks did not stop, however....

[Ambrozic] That is only an example, which proves eloquently enough how some parties and their spokesmen at the newspapers tried to get rid of undesirable editors. Of course, without the support of some people in our company, where many people from the previous "crew," who at least all kept their jobs, if they did not even get promoted, cannot reconcile themselves to facts. They do not have the positions of Slovene television's general director and the managing directors of the entertainment and news programs in their hands. The criticisms are generalized, and they do not say how our predecessors were better.

Regarding the news program, I maintain that no program management has ever experienced such a difficult period as last year. The June war is essentially still going on, and consequently we news program journalists have an extraordinary workload, since some of us still have not even completely used up last year's leave. There was no time, and it seems that there will not be any this year, either. At this time we have brought a lot of young, educated people into television, with whom we will fill the big personnel gap that emerged in previous years. We organized all the necessary competitions last year for 25 young reporters, and then we worked with them for several months. We are already harvesting the fruits of this work, although the real effect will only be shown in a year or two.

[Gale] The criticisms are thus unjustified, in your opinion?

[Ambrozic] If we take into account the extensive work of the news program and my personal contribution, which I am also not ashamed of, one must ask: Where is the reason for the attacks? I maintain that this is being backed by the members of several political parties and even their parties as a whole, who want to have their own people in these positions. There are "gray eminences" in the background who are managing the whole game, but are not exposing themselves to the eyes of criticism.

[Gale] Do you agree with Jerovsek's dismissal?

[Ambrozic] I fully understand Dr. Jerovsek. When he became the general director of Slovene RTV, he was a fair, honest person. In the year that he has been at Slovene RTV, he has not made any mistake bad enough

that anyone could criticize him for anything. His financial adviser is to blame for the final account. Dr. Jerovsek is now leaving soiled and abused, as an economic criminal and an enemy of journalists' autonomy. No one could stand such criticisms indefinitely, of course, and that is why Dr. Jerovsek preferred to leave.

[Gale] But there are also a lot of criticisms of your work as editor!

[Ambrozic] I accepted the job as editor so that Slovene Television would not become the trumpet of just one party or coalition. I wanted to form the kind of editorial office that would be independent and objective. Unfortunately, the pressures for us to be under the auspices of someone or other are very severe, and it is very difficult to be objective. We are making an effort to do so.

### **Paid TV Political Campaign Ads Prohibited**

92BA1475A Ljubljana DELO in Slovene 26 Sep 92 p 2

[Article by Vinko Vasle: "New Rules at RTV"]

[Text] *The RTV [Radio-Television] Council has decided that broadcasting paid political propaganda on radio and television is prohibited during an election campaign; the council's responsibility.*

Ljubljana, 25 Sep—At today's meeting the RTV council adopted several rules for radio and televisions' conduct during the election campaign. After a long time, it has also succeed in naming a new chief editor for Slovene Television, Janez Lomberger.

The council, however, did not elect the nominated managing editors for Maribor radio and for Radio Koper's Slovene and Italian program. Because of Vane Gosnik's intervention, the council did not appoint an acting general director today either. Peter Mori was proposed for that position, but Gosnik said that he needed about a week to think it over.

Otherwise, most of the discussion was about what the rules of conduct for radio and television should be like during the election campaign. Of course, there were almost as many ideas and party interests as the council has members, and this was demonstrated in particular when they started to discuss the issue of whether or not the RTV council should allow the broadcasting of paid party political spots. Some council members thought that it was necessary to observe European standards, in which paid political propaganda is generally prohibited. To Danijel Malensek, paid spots would mean that the elections could also be bought; they would be bought by those who have a lot of money, and that would be a deception of the voters. Minister of Information Jelko Kacin said that Slovene RTV was not only a public institution, but also the only Slovene RTV institution also engaged in commercial activity. He was therefore against banning paid party propaganda, since politics is allowed here, and thus political marketing is also allowed. Marjan Podobnik, Vane Gosnik, Franc Golja,

and several others were opposed. In the end, the council members decided that broadcasting paid political propaganda on radio and television was prohibited during the election campaign.

After discussing whether parties could use television archival material in preparing spots, they decided that it was not permitted, and after Vane Gosnik's intervention they also decided that television could not broadcast spots using archival material. Jelko Kacin warned that the RTV council would also have to assume responsibility for the material consequences, since the television archive has already made it available to some. In this regard, the council members adopted the decision that RTV should return the attack, and demanded income from the government because of nonpayment for the party's propaganda spots. Kacin, however, said that the government, of course, did not have the money.

Marko Selan thought, among other things, that during the campaign there should also be a ban on broadcasting programs that could have a political slant, for example the Moped Show and Radio Ga-Ga, but the proposal was not adopted. In principle, the council members accepted a substantive plan for the radio and television program lineup during the campaign. Also adopted was the proposal by Slavko Splichal that regular radio and TV news programs during the preelection period should not report on party press conferences or party campaign rallies, or organize roundtables that the parties could exploit for their own political promotion.

#### Law on Elections to State Assembly Adopted

92BA1431A Ljubljana DELO in Slovene 12 Sep 92 p 2

[Article by Jana Taskar: "Familiarity With the Electoral System Is Important for Every Voter"]

[Text] *A voter who does not have permanent residence in Slovenia will also be able to vote, as well as Slovenes abroad; principle for the election of 88 deputies; when two candidates have the same number of votes; fines.*

Ljubljana, 11 Sep—Three basic laws were necessary for holding this year's elections; since they are constitutional in nature, parliament had to pass them by a two-thirds majority. The law on elections of the republic president was already passed by the end of July, and the laws on elections for the State Assembly and the State Council were passed yesterday, after the parliamentary parties signed a mutual agreement that the electoral legislation had to be passed.

We consequently already know now what the elections will be like. A proportional system of elections has been specified for the State Assembly, with majority modifications. The elections to the State Council will be different; we will elect representatives of local interests in direct secret elections, whereas representatives of other interest associations will be elected indirectly, through bodies of electors. A majority system of elections, with an absolute majority for election, has been specified for

electing the state president. For the time being, several necessary implementing and auxiliary laws are still missing, but parliament is expected to pass them on 23 September. If such optimistic predictions are fulfilled, then the elections could be scheduled in the beginning of October, and the voting would be on 6 December.

Because of several amendments that have already been passed, the contents of the laws have changed in many respects, and thus it will not be superfluous if we first of all describe the law on elections to the State Assembly, which will be the state's new legislative body, and will be composed of 90 deputies who are citizens of Slovenia. The deputies are elected on the basis of universal and equal suffrage in free and direct elections, by secret ballot. In this regard, one must take into account the fact that an approximately equal number of residents will vote for each deputy, and the principle that political interests will be proportionately represented in the State Assembly. The Italian and Hungarian nationalities will each elect one deputy to this Assembly.

Among the solutions that are important for the elections, let us recall that every citizen of Slovenia who has reached the age of 18 by the day of the elections and who has not been deprived of his eligibility has the right to vote and to be elected. Among the innovations that the legislation is introducing for the first time is the possibility that a voter who does not have permanent residence in Slovenia and cannot determine where his parents resided can decide for himself in which electoral ward and district he will vote. This law also provides that it is necessary to conduct the elections in person, i.e., no one can be authorized for this action. Regarding the scheduling of elections, perhaps the only thing for which this law provides is the scheduling of regular elections—i.e., every four years—and early elections. Elections are scheduled by the republic president in a special decree that has to be published in the official gazette. Of course, the law also provides for substitute elections for cases in which the State Assembly does not confirm an elected deputy's term, or a deputy's term ends because of reasons specified in the law. Also in accordance with this law, elections are conducted and implemented by the electoral bodies, which are electoral commissions: a republic commission and electoral commissions in the electoral districts, which have four-year terms, and electoral commissions which are appointed separately for each election.

Candidacy is already one of the chapters in the new law (it will go into effect 15 days after publication in the official gazette,) which will interest voters the most. Candidates for deputies to the State Assembly will be able to be proposed by political parties and voters, naturally according to the rules specified by the law. To be sure, a political party will observe its own regulations in specifying candidates, but it will have to specify each list of candidates by secret ballot. A given party will only be able to seek the electorate's votes in all eight electoral districts—the number that there will be from now on for elections to the State Assembly, in fact—if the given

party's candidate list is signed by three deputies in parliament. A party will be able to submit its candidate list only in one specific electoral ward (the smaller parties, which will not be able to put together eight candidate lists apiece, will almost certainly also seek seats in the State Assembly), and only when it is specified by party members with permanent residence in that ward and when it is signed by at least 50 voters with permanent residence in that ward, or 100 voters, if the first condition is not met. The law allows two or more parties to participate jointly in the elections.

Voters will specify candidates by signatures; for each list, it will be necessary to collect at least 100 signatures within an electoral ward, and 30 signatures for a candidacy within a national minority. Of course, it is true in all cases that each individual can only give his signature once, namely on a special form. A voter will only be able to give his signature in person, in front of the body that keeps the electoral records, i.e., at the district office. The data will be an official secret, and will only be available to the authorized electoral commission or to a court. When all the above-mentioned conditions have been met—in this regard one should also take into account the fact that an individual can only be a candidate once—and when the list of candidates has been compiled, it will also be necessary to specify in which of the electoral districts an individual candidate will be able to collect votes. Then the list of candidates will have to be submitted to the electoral commission in that electoral ward in which the party, or the candidates designated by the voters, will seek votes. The parties will be able to provide their candidate lists with their name, sign, symbol, and abbreviation. In the event that several parties submit a joint list (a pre-election coalition), they will have to specify a joint name for it, and in this case, it will have to be clearly specified which parties are acting under that name. All of the candidate lists submitted on time, of course, will be subject to detailed inspection by the electoral commissions. The law also specifies that all the candidate lists that have satisfied the law's provisions must be published in the media; this will be paid for from the portion of the budget funds that the state has to provide for holding the elections.

Now let us say more about the voting. The elections have to be on a nonworking day and as a rule, the polls, as is already customary, will be open from 0700 to 1900 hours; the exceptions allowed by the law have to be decided upon by the electoral committee, in agreement with the electoral commission. According to the new law, we will also have elections in Slovenia open to soldiers, the sick, and the institutionalized; Slovene citizens around the world will also vote, if they convey their wishes to the republic electoral commission a month before the elections. Slovenes around the world will be able to vote only in those foreign states which permit participation in elections and where it is regulated by an intergovernmental agreement, namely at diplomatic and consular representations, where Slovenia already has them. Slovenes around the world will also be able to vote

by mail, but to make the vote valid they will have to attach an electoral card on which the individual's identity will be confirmed by a diplomatic or consular representation, or by an official body of the country where the Slovene citizen permanently or temporarily resides.

The law specifies that Slovenia will be divided into eight electoral districts for the elections, and each of them will be divided into 11 electoral wards. Each voter will be able to give one vote to a candidate.

The law on elections to the State Council provides for two rounds of dividing up the seats, since according to the proposed election system it is almost impossible for all the future deputies to be elected indirectly in the electoral wards. The second division of the seats, in which only those parties who received at least three seats in the first round indirectly can participate, will be carried out at the republic level, and the d'Hondt Method will be used for calculations. In this case all the votes that the party has collected throughout all of Slovenia, but which were not yet used in the first division of seats, will be taken into account. Thus, for example, the Christian Democrats will get another six seats; the law allows them to allocate three of these to candidates on the national list, which will already have been compiled before the elections, and which will almost certainly contain names that mean something in the party. The remaining three will have to be allocated to candidates in the electoral wards, first of all in the ward where the remainder of unused votes was highest, and if all 11 deputies have already been elected in that ward, then in the ward with the next highest remainder of votes.

That is the principle for the election of 88 deputies; the deputies of Italian and Hungarian nationality will be elected according to a majority system, i.e., the seat will be won by the candidate who collects the most votes. The rule in effect for all cases in which two candidates receive an equal number of votes is that the seat will be awarded by lot.

The law also contains punitive provisions. A fine of at least 5,000 tolar is specified for a violation of electoral silence (it will begin 24 hours before the elections): for campaigning at the polls, and for anyone who does not want to leave the polls after voting, or creates a disturbance at the polls. There is also a fine of at least 20,000 tolar for anyone who comes to the polls with a weapon or dangerous instrument, or who brings armed forces to the polls, or orders them to be brought, without orders from the chairman of the electoral committee.

#### [Box, p 2]

So that we can imagine the method of the elections, we will try to portray it through examples. The Slovene Christian Democrats, for example, will compile eight lists of candidates, and there will be 11 candidates on each one. They will submit each of the lists in one electoral ward. Since there will be 11 names on the list,



each of these candidates, for instance Janez, Peter, Miha, Matija, etc., will seek votes for his own party and for himself in one electoral district each within the electoral ward. The Socialists are a smaller party, but even so they will seek votes in all eight wards. Since they are weaker in personnel, however, the law allows them to formulate a candidate list for each ward with at least six candidates, for instance Joze, Marjan, Darja, etc., and thus five of their candidates will seek votes in two districts each, and the sixth, only in one. And then we also have one more candidate list on which there is only one nonparty candidate—let's call him Marko—who will be nominated by the voters. He will be able to seek votes in all 11 electoral districts within his electoral ward. Thus, for instance, in electoral district four, Peter, representing the SKD [Slovene Christian Democrats], Darja, representing the SSS [Slovene Socialist Party], and Marko, representing the independents, will be candidates on the ballot. A voter, who has the right to give only one vote, will choose among all three. If he gives his vote to Peter, that will mean that he has voted for the SKD; if he circles Darja's name, that will mean that he has voted for the Socialists, etc. The voters' votes will be counted within the electoral ward, i.e., from all 11 districts together. The count of the votes, let us say, will show that the Christian Democrats have gotten three seats. Now a new count of the votes will follow, this time for individuals, and the result will show that most of the voters have supported Peter, somewhat fewer votes were collected by Miha, and even fewer, but enough for the third seat, by Janez. The Socialists will thus succeed in getting one seat, and it will belong to the one among their six candidates who collected the most votes. Marko, even though he was collecting votes in all 11 electoral districts, did not receive sufficient support for indirect election (9.1 percent of the votes in an electoral ward), and therefore dropped out of the game.

### Six Proposed Electoral Laws Discussed

92BA1476B Ljubljana DELO in Slovene 24 Sep 92 p 3

[Unattributed article: "How We Are To Vote the New Way"]

[Text] Ljubljana, 23 Sep—Last week, after the Sociopolitical Chamber decided on them in one week of silence, the Slovene parliament accepted the drafts of six laws, which—at least most of them—are urgently needed even before the elections are scheduled. This time parliament already has on its agenda six proposed laws, two on defining the electoral districts, and the rest on voter registration records, deputies, political parties, and the election campaign. Since there were several comments and proposals regarding the draft laws, the proposed laws differ considerably from the drafts in several solutions.

### Law on Defining Electoral Districts

The proposed law on defining electoral districts for the elections of deputies to the State Assembly took into

account the comments from deputies that the electoral wards and districts did not sufficiently take into account the geographic and historical completeness of regions, and likewise several proposals for relocating the headquarters of the electoral districts. The modifications, however, did not eliminate the principle that the deputies are elected as representatives of citizens and that the electoral districts must therefore include as equal a number of citizens as possible; the permissible deviation is at most 5 percent upward or downward.

There were even more criticisms of the future law on defining electoral districts for the election of representatives of local interests to the State Council, mostly with the desire of increasing the number of electoral districts. In any case, the predominant criticism in the comments was that the proposed aligning of the municipalities into electoral districts did not sufficiently take into account the established vital links, nor cultural or historical characteristics. There were also several doubts about having the electoral districts be too different in terms of the number of citizens. According to the latest proposal, 22 electoral districts (originally 19) are planned for these elections, and thus one councilor each will be elected in each one.

### Law on Voter Registration Records

There were fewer criticisms of the draft law on voter registration records. Article 2, which talks about electoral registries, has been written more clearly in the proposed law. Thus, citizens' voting registration will be recorded through a general voter registry that is prepared for each election separately, on the basis of permanent voter registration records. Special voter registries will be compiled for citizens of Slovenia who do not have permanent residence there. Citizens' voting registration for the elections of the deputies of the Italian and Hungarian nationalities will be recorded through a voter registry for both nationalities, which will be compiled by both national communities and confirmed by a competent state body. As now specified by Article 24, a voter registration card will be issued only to a citizen of Slovenia abroad who informs the republic electoral commission that he wants to vote either at a diplomatic-consular representation or by mail.

### Law on Election Campaigns

Articles 3 and 5 were the most controversial in the draft law on election campaigns. The former also talked about a negative election campaign, which has now been removed from the proposed law, since negative comparative political propaganda is an element of the electoral battle. The provision on protecting the honor, reputation, advantage, and other rights of candidates remained however, and has only been appropriately sanctioned, since a court will have to decide on a request to protect these rights within three days, and publish the decision without delay in the public media. Initially, Article 5 provided that the media, using social capital, had to allocate part of their space or program time to the



election campaign for free. The new provision, however, specifies that those media, 35 days before the elections, have to define and publish rules for the use of program time or space to present the candidates and their programs, rules that would ensure the equality of candidates, parties, and others proposing lists of candidates. There has also been a significant change in the chapter on financing election campaigns: Financing from abroad is prohibited except for Slovene citizens; state bodies and other legal persons specified by law do not have to finance election campaigns; and anonymous donations are restricted. All participants in the election campaign will have to prepare a report on the money obtained and spent for this purpose, and the SDK [Public Auditing Service] will also have to present its opinion on this for discussion in the State Assembly.

#### Law on Political Parties

The future law on political parties is also substantively quite different from the draft law. Thus, there is more emphasis in Article 2 on permanent or long-term cooperation among parties in the elections and in power; this is also a fundamental element that separates the concept of parties from the concept of political organizations. The innovations also include a provision that foreigners cannot be members of parties, or else their membership can only be honorary. The law now also prevents the registration of a foreign party or an organizational unit of it that has a headquarters abroad. The fact that 100 founders are now required as a condition for the registration of a political party is an important innovation (this was already the first proposal, but later it was cut in half), but the registration procedure is simpler in the proposed law. The chapter on the internal organization of a party, which the deputies and the deputies' clubs objected to most of all, has not been deleted after all, but has been substantially shortened, and thus now only specified which party documents are mandatory for the registration procedure. Since there were many doubts about the initially offered provision for the preregistration of already established parties (under the law on political association, for which 20 founders were enough), it has now been proposed that the effective status and the program be submitted to the competent body, and that the latter determine whether the party meets the conditions for registration under the new law. There will not be any "concessions" with respect to the founders, since each party, old or new, will have to submit the required number of founding statements. With respect to financing, the same provisions apply as for the election campaign, but parties are also permitted to engage in economic activity, as long as it is not predominant.

#### Law on Deputies

Most of the additions are in the proposed law on deputies, since they polished up the general provisions, the means of gaining and ending a term, incompatibility of the office of deputy with gainful activities, and the rights and duties of deputies. They also added a chapter

on the material and other conditions for deputies' work. Thus, if there is enough money in the budget, the future deputies are to receive a salary five times the average in the economy, and also additional amounts with respect to the function that they perform, for past work, and other income such as reimbursements for food, vacations, etc. Completely new is the provision on deputies' rights after the end of their term, since the law guarantees them up to two years' compensation for wages if they cannot continue their previous work or cannot find new employment. The law also permits early retirement.

#### Expenditures of Various Ministries Questioned

92BA1472A Ljubljana DNEVNIK in Slovene  
22 Sep 92 p 4

[Article by Marjan Lacic: "Holes in the Budget"]

[Text] *Irregular financial operation of most ministries; no standards for the definition of national public spending.*

Ljubljana, 22 Sep—The efforts of the Assembly's committee on the budget and public finances, and its chairman Janez Kopac, to achieve more oversight and efficiency in the spending of state money are certainly very praiseworthy, although for the time being we cannot expect any major results. Some time ago, the committee ordered the republic SDK [Public Auditing Service] to review the operation of individual ministries. The reviews showed several irregularities, for which no one will probably be held accountable. So far, in fact, we have not had and still do not have any standards for what is efficient public spending with state money, which there has always been enough of, and so people acted like pigs.

What did the reviews at individual ministries show? At the Ministries of Industry and Construction, and Energy, the SDK only found minor irregularities, which have now already been eliminated. The SDK and the Assembly Committee are criticizing the Ministry of Tourism and the hotel industry the most for the inefficient spending of money to promote Slovenia. Exactly 40 contractors were paid almost 35 million tolar, but in many cases without real claims or bills issued. The Ministry of Tourism also financed the preparation of five studies, but the quality and usefulness of these studies were not confirmed by any body or commission.

The SDK review discovered the most irregularities at the Ministry of Trade, and its associated Republic Directorate for Commodity Reserves. The biggest irregularity is the case known to the public by the name of "Slovin-gate." The Republic Directorate for Commodity Reserves gave the Slovin business system an advance to buy foreign exchange in Serbia. Slovin, however, never carried out the transaction. If the Directorate now wrote off the virtually uncollectible claim against other expenditures, it would have a loss of a full 522 million tolar, which we taxpayers have, or have yet, to cover through the budget. The Directorate and the Ministry of Trade are now suing Slovin, but so far the court has not yet

decided on the bankruptcy of this enterprise. On the other hand, Slovin is also suing the state, which allegedly "misused" it for a risky transaction.

As a representative of the MNZ [Ministry of Internal Affairs] said at yesterday's meeting of the Assembly Committee, the MNZ handled this case thoroughly and filed charges against almost everyone who could be criminally responsible. Criminal responsibility, however, is a narrow concept, and no one here is too worried about moral and political responsibility. Former Minister of Trade Maks Bastl is allegedly now a successful businessman, and the Directorate's former director, Alojz Metlika, who also obtained loans to buy a house while in office in violation of housing regulations, is now retired.

The Ministry of Finance's operation was also on the carpet of the Assembly Committee yesterday in connection with the draft law on the final account for implementation of the republic budget for last year. The SDK is also criticizing this ministry for several irregularities, but for most of them it has turned out that they are

primarily a consequence of different professional views of bookkeeping. The Ministry of Finance, for instance, did not record among revenues a commodity credit in the amount of 46.5 million German marks, 26 million of which was spent by the Defense Ministry for urgent requirements.

The legislation, however, does not prescribe how to record commodity credits. The ministry also did not record 772.5 million toalars in social security contributions for state employees. Finally, the representatives of the Finance Ministry and the SDK agreed that they had to clear up the differing professional views, and the government, in preparing the proposed law, will also have to take the SDK's opinion into account.

As Deputy Finance Minister Alenka Markic stated, last year was unique in many respects. The changes in the budgetary and tax system brought an abundance of difficulties, which the Finance Ministry is only now really recognizing and starting to resolve. We can thus expect more efficient spending of the budget money only sometime in the future.

**Biographies of New FRY Federal Ministers**

92BA1464C Belgrade BORBA in Serbo-Croatian  
12-13 Sep 92 p 2

[Unattributed article: "Biographies of New Ministers in the FRY, Federal Government of Yugoslavia: Filling a Team of Experts"]

[Text]

**Minister of Commerce, Prof. Dr. Branko Maricic**

Economics Faculty in Belgrade, up to now acting deputy minister of commerce. He was also deputy minister for commerce in the previous government. Contemporary education, with broad international contacts. Full professor in the Economics Faculty in Belgrade, specialties Marketing and Consumer Behavior.

**Minister of Agriculture, Prof. Dr. Ratko Lazarevic**

Specialized adviser, director of the Belgrade-Zemun Institute for Cattle Breeding. Responsible for several of the most extensive scientific research projects by which the developmental policy in Serbian agriculture is defined. His selection indicates an orientation to intensive agriculture.

**Minister of Transportation, Dr. Milan Vujicic**

Law school graduate, now employed in Yugoslav Aero-transport as deputy general director. Outstanding expert in international legal matters in transportation, especially intercountry and international agreements and conventions.

**Minister of Foreign Affairs, Ilija Bukic**

In the diplomatic service since 1958. Was counselor and charge d'affaires in the embassy of the SFRJ in China from 1964 to 1968 and from 1970 to 1974, and has been ambassador in China since spring 1990. As career diplomat has worked in Moscow, in Bulgaria, and in the USSR was director of three departments and counselor to the federal secretary.

**Minister of Finance, Dragan Jovanovic**

Law school graduate, until recently director of the Service for Social Accounting of Serbia, removed from that post by decision of the president of the Government of Serbia, Dr. Radoman Bozovic, because of alleged reponsibility in a trial for currency exchange.

**Macedonian Agricultural Exports to EC**

92BA1413A Skopje NOVA MAKEDONIJA  
in Macedonian 8 Sep pp 9-10

[Article by Stojmirka Tasevska: "Maintaining the Continuity"]

[Text] *The Agroindustrial Complex and Collaboration With the European Community*

*The economic establishments from the Republic in the area of the AIC [Agroindustrial Complex] have to be organized for joint appearance on the EC market in order to make full use of its most-favored-nation policies. The economic council has empowered an institution for organizing collaboration.*

The collaboration of the AIC of the Republic of Macedonia with the European Economic Community (EEC) since 1980 has been regulated within the framework of the preferential agreement between the EEC and the SFRY, which also dealt with collaboration in the area of trade, industry, communications, power engineering, and so forth.

The agreement was made for an indefinite time, but the trade and financial provisions are renewed every fifth year. Collaboration in specific sectors of the AIC—livestock raising, wine and plum vodka, fruit, vegetables, and processing—was regulated separately, with additional protocols and arrangements.

Thus, the Community granted concessions for the import of certain agricultural and food products from Yugoslavia, which concessions were to have effect until 31 December 1995, with the exception of the conditions for the import of young beef and live lambs, the period of effect of which was until 31 December 1991. At the beginning of each calendar year, the Council of the EEC approved general instructions and confirmed the facts of the generalized most-favored-nation policies in accordance with the conditions for the import of agricultural and food products—tariff quotas, referent amounts, the degree of reduction of the duties, and others.

In the meantime, on 15 November 1991, the Council of the EEC suspended the trade concessions approved by the treaty for collaboration between the EEC and the SFRY. In addition, the Community and the member countries, within the framework of European political collaboration, agreed to change the selective positive measures in favor of those countries from the area of Yugoslavia that contribute to reestablishing peace. Thus, on 2 December 1991, the Council of the EEC passed a resolution that dealt with favored arrangements and that are used in the case of the import of products originating in Bosnia-Herzegovina, Macedonia, Croatia, and Slovenia, with validity from 15 November to 31 December 1991. It made it possible for the above-mentioned republics to make use of trade arrangements that are essentially equivalent to the arrangements of the suspended treaty.

For 1992, in the same context, the Council on 3 February passed an agreement for the import into the Community of products originating in Croatia, Slovenia, Bosnia-Herzegovina, Macedonia, and Montenegro.

With this trade agreement, the above-mentioned republics have the status of favored nations, so that the import of agricultural food products from these territories will be carried out under more favorable conditions, with reduced tariffs or duties, and so forth. This mechanism

makes it possible for our goods to be more competitive than those of other countries on the EEC market because of the abolished or reduced tariffs or duties.

The agreement is implemented with specific protocols that confirm the annual maximum quotas for the import of specific products for which the privileges are granted (these quotas are specified for every product separately, for all of the republics together), and, as soon as the maximum quota for export is reached, the privileges are not in effect for further export—that is, the import duties are the same as for third countries.

In the area of the AIC, in the greatest part, the privileges deal with young beef, fruit, vegetables, processed goods, wine, tobacco, and so forth.

For individual products—beans, onions, mushrooms (except for yellow mushrooms), cucumbers, and specific processed products from vegetables—the tariff is reduced to zero, but, for other products, the preferential tariff steps are in effect for the approved quotas. Cherries are the fruit with the most favorable treatment, where a tariff of 2.5 percent was imposed on the quota of 3,000 metric tons from 1 May to 15 June 1992 and 3.3 percent after 15 June 1992, and a tariff of 3.2 percent on processed cherry products.

Alcohol and wine: According to the agreement, the alcohol from plums called "slivovitz" is free of paying a tariff for an annual quota of 5,240 hectoliters [hl], and wine for an annual quota of 545,000 hl, where the conditions for using the preferential quota step is that the price will always be up to the official price of the wine in the Community.

Tobacco: The quota of 1,500 tons of Prilep-type tobacco is free of tariff.

Livestock and livestock products: For live lambs and young beef, the reduction of the duties is 80 percent for one part of the quota of 25,000 tons and 50 percent for the second part of the quota of 25,000 tons.

Because of all of these criteria that have been mentioned, the EEC Commission seeks from each republic monthly information concerning the export prices, the exported amounts, and the presentation of the products (for example: live cattle, slaughtered cattle, or quarters of slaughtered cattle, and so forth), and the goods that are exported have to be accompanied by a document concerning the quality and a certificate for transit and transportation from the corresponding institution, with which its origin is confirmed. Food products account for 45 percent, tobacco 49.6 percent, and beverages 5.5 percent of the total exports from the AIC in this Republic, amounting to \$141.4 million in 1991.

Sold on the EEC markets are 90.6 percent of the wine exports and 22 percent of the tobacco (unrubbed). The amount of meat, fresh fruit, and vegetables is also high.

As far as the imports from the EEC in the area of the AIC are concerned, the greatest share falls to products for

mass consumption. These products most often are surplus, highly subsidized goods on the markets of the EEC, having low, attractive prices (powdered milk, different types of cheese, processed fruit, vegetable products, sugar, oil, chocolates, frozen meat for processed goods, and so forth). These imports essentially served to expand the range of goods offered on the domestic market and competition of domestic products but was not of significance for the AIC itself.

In the meantime, an activity of great significance for the AIC is that export from the EEC that concerns delivery of materials for propagation in agriculture, the food industry, and the tobacco industry (the means for protecting plants, different seeds, additives for producing livestock feed, veterinary medicines, the packaging for the meat and milk industries, spare parts in the food and tobacco industry, and others).

Hence, in these known conditions of economizing and insufficiency of monetary means for importing propagation materials, there is a need to direct exports from the AIC to supply the same, in order to maintain our ongoing industry.

The orientation of our exports of agricultural and food products to the EEC market and the dependence on imports of propagation material and equipment for the requirements of agriculture and the food and tobacco industry, the traditional bartering and long-term connections between our enterprises and the companies of these countries, the geographical closeness, and the infrastructural connections make it incumbent on the economic entities of the AIC in the Republic to organize in the joint entry into these markets, meeting all of the criteria of the EC that it imposes, and, first of all, to make full use of its most-favored-nation policies.

Before the political changes in the area of Yugoslavia, the organization of this plan was developed by means of the corresponding funds on the level of Yugoslavia. Therefore, it stopped functioning with the breakup of its members.

From the point of view of the need for adequate organization to be established in the Republic of Macedonia, the Economic Council of Macedonia put forth the initiative for implementing or maintaining the continuity of the plan for the required degree of organization. On the other hand, for further collaboration, the EC was seeking an authorized institution with which it could communicate with respect to export prices, export amounts, the origin of goods, the issuance of quotas for specific products, and so forth.

Because no special institution like the former Yugoslav funds, which would assume specific financial burdens, has been formed for this purpose, the economic entities differed concerning for what the permanent bodies within the framework of the Economic Council of Macedonia are to be used—namely, the tasks connected with the promotion of production, the organized entry into

the foreign market, the use of the generalized most-favored-nation policies from the EEC, the overcoming of protectionist barriers on the foreign market, and the protection of domestic products from highly subsidized products abroad will be carried out in the group as a very close, organized body in the Economic Chamber of Macedonia, and the employees of the Chamber will perform the administrative and technical work without pay.

According to the structural production and the market surpluses of the AIC in this Republic, at first the above-mentioned functions will be carried out in the permanent groups for livestock and livestock products; viticulture and viniculture; vegetables, fruit, and prepared products; and tobacco and tobacco products.

The distribution for the quotas will be carried out in the group. The minimum export and maximum import prices for specific products will be confirmed, the height of the supplementary stimuli specified for each product will be confirmed, the distribution of globally confirmed facilities will be carried out, and the market potentials for the export of specific products and for stimulating the designated production for export will be taken into account. In this context, contacts will be maintained and the measures the EC takes toward countries that are not members thereof (duties, quotas, minimum prices, quality, and others) will be avoided.

Likewise, in conditions of an insufficiency of monetary means, the members in a regular group, in order to help themselves, first of all will orient the export of commodities toward the import of goods in order to provide for reproduction materials (components for livestock feed and additives, raw materials for the production of vital food products, filter columns for the tobacco industry, and so forth).

To implement the above-mentioned, the groups have already put together their working bodies—the Council of the group and the Executive Council of the groups from a specific area.

In this body, the group and its member producers up to now have the right to become members of other interested economic entities—for example, in the area of commercial private enterprises.

Standards that will regulate the membership, functions, sources of financing, and so forth are in the process of being passed.

[Box, p 10]

#### **Macedonia—A Favored Nation**

According to the trade decisions of the EEC, in 1992 the import of agricultural and food products from the Republic of Macedonia will be carried out under more favorable conditions—with reduced tariffs and duties. This reduction will make our export products more competitive than those of other countries exporting to

these markets. With these decisions, the Republic of Macedonia is treated as a favored country by the EC in the area of trade collaboration.

#### **Reasons for Strike Wave in Macedonia**

92BA1416A Skopje NOVA MAKEDONIJA  
in Macedonian 5 Sep 92 p 13

[Article by Svetlana Vukcevic: "(Un)controlled Exposure; Season of Strikes"]

[Text] *The end of the annual vacation season, as was expected, announced the beginning of the strike season, which the educational workers opened. A chief reason for the strike storm that is expected now is the wage law, which, as they say in the trade union, is dividing the workers. Transformations of the capital. A potential reason for a new strike wave.*

The end of the annual vacation season, as was expected and was suggested in more visits on the part of the trade union, announced the beginning of the strike season. The strike of educational workers last week, among other things (one may now say it freely), opened this season. Beyond this, judging by the number of strikes held this week, some even on the same day, according to the numerous announcements for work stoppages around the Republic, a real strike boom, larger than ever before, is expected.

#### **Discontent Everywhere**

Thus, just in the course of this week, in addition to the educational workers, the employees at Pelister in Bitola, then at Macedonka, Politeks, and the ZIK Red Star in Shtip, and at Triko in Vinitsa went on strike or held warning strikes, and the majority of workers at Prilep were on their feet. In this city, recently, the employees at the Solidnost and Biljana textile plants and the metalworkers and the other employees at the Partizanka Chemical Plant stopped working. There are specific calls for strikes from the employees in the agencies for management and justice, in the health department, at Bitolats and the Ilinden silk manufacturer in Bitola, and at more Kavardarsi enterprises, and, on Monday, the employees at the Skopje glassworks declared for a strike before the Assembly of the Republic. In Skopje, at least for the time being, it is relatively peaceful, but declarations from the largest collectives in Skopje—the Tito Metals Plant, Zhelezarnitsa, and OHIS, about which the workers express dissatisfaction that may be reborn into mass protest—came to the trade union of Macedonia.

Dissatisfactions of different types: with the salaries of the business managers, with the overall situation in the Republic, which, as they warn in the trade union, may easily explode in almost all economic and noneconomic branches. Thus, although it is peaceful now, protests on the part of the truck drivers may be expected. Fifteen motor-vehicle transportation organizations, because they do not have gasoline, cannot obtain revenue, and the workers, although quiet for now, are still reacting. In

more marketing and agricultural organizations, the employees are already reacting to the fact that they are not receiving pay and because of the forced vacations, and some dissatisfaction with the leadership personnel is expressed. The entire metals complex reacts either through strikes or through declarations of strikes in the trade union. An initiator for expressing this dissatisfaction is "this hero Dragovic" from Ohrid, and a large number of businesses are involved. The reactions (chiefly for pay) in the textile complex are the greatest and most vocal, and there were or will be strikes in Prilep, Kratovo, Bitola, Shtip, and Vinitsa. The situation with the builders is also interesting. Their union leaders say that these workers are dissatisfied, basically about wages, but because this season is aflame and they have exploded on the construction sites, their dissatisfaction cannot be expressed in a mass and organized way.

#### Reactions to the Wage Law

However, as they say in the trade union, the situation is so dynamic it changes from hour to hour, and it can never be known precisely at what moment a strike will take place. Although fall—when prices usually rise, the needs of the people are increasing (winter, the beginning of the school year), and the wages are usually the same—is a customary time for strikes, this year there is a special feature connected with this. Almost 90 percent of the protests and strikes announced or held were provoked by the recently passed changes in the wage law. The first payment of wages in accordance with the modified law provoked reactions from both those who gained more and from those with less right to an increase in wages. Thus, the employees in the economy who gained more income are dissatisfied with the limitations the law imposes on them, and those again, for whom the limit is higher, seek to acquire this legal right (the strike of the educational workers). This revolt is now reinforced by the dissatisfaction with the high prices that are in conflict with the low wages and, especially, the announcements of new prices for bread, electrical energy....

According to the words of the president of the Council of Labor Unions of Macedonia, Zhivko Tolevski, the greatest part of the strikes are channeled and under the protection of the trade union, which again is oriented toward guiding them along union branches. The union does this because it thinks the workers are in the right, because the wages are truly low, and because prices are too high in comparison with them. According to Tolevski, the workers are right when they react to the wage law (every day the union receives written or telephoned reaction to this law from the workers from numerous collectives) because the government, and the parliament with it, only introduced chaos in the area of wages. It seems that their only goal is to divide the workers. Nevertheless, as the union leader of the metal-workers and energy workers, Alekso Kiprovski, declared recently, this dissatisfaction with the division of the workers was the true reason for the strike of the metal-workers in Prilep and other cities; however, it was

speculated that they were striking against those employed in the social services. First, as Tolevski emphasizes, the union supports the requests of the former and latter workers because, nevertheless, it cannot be against the requests for a pay increase. The president of the syndicate particularly emphasizes the danger from speculation with the strikes, then says that, in particular, he is concerned that only those strikes be supported that are based on a vital interest of the workers because today there is danger of manipulation with the strikes and strikers on the part of the political parties. To avoid this, now, in conditions in which a great number of strikes may take place very easily, the union has a special strategy, in which in the case of every declaration of dissatisfaction with some enterprise, the situation is investigated and the danger pointed out, and the union representatives begin to organize so that they are constantly in the area and in contact with the workers, so that they can always obtain up-to-date and accurate information, which is a prerequisite for successful action by the union. Otherwise, Tolevski says, precisely for these reasons, it is very undesirable to have strikes before the Assembly of the Republic determines if they can be avoided. To eliminate problems of this kind, the union will soon begin work on changing the strike rules so that the strike (which, as Tolevski emphasizes, is an absolutely unavoidable means of asserting the rights of the workers, not only in our country) would be set up on a European level and would acquire very different dimensions.

#### Application of Collective Bargaining

In this situation of an expected storm of worker dissatisfaction, the union is one of the parties most called upon and most involved in calming it down. Therefore, it proposes that the wage law be discarded and collective bargaining adopted because, as it emphasizes, only in this way, in these conditions of trouble and poverty, can any order be established. Indeed, the workers also seek this. The use of collective bargaining almost always is one of the prominent demands of all strikes, and the Republic union often receives letters from union organizations with support for persisting in the "struggle" for achieving this demand. Likewise, immediate passage of the Labor Relations Law, a social program, a law for capital transformation, and other laws important for the workers is sought. That is precisely the basic theme in the negotiations with the government and with the president of the Republic, and the negotiations with the new government will continue on this level. Tolevski calls this action on a preventative level, from which there will be results if the authorities hear about it.

A potential cause for explosion of a new wave of worker dissatisfaction, possibly very severe, may be seen in the process of capital transformation. Already, several strikes for these reasons have been observed—that is, in the case of the transformation of certain enterprises, the

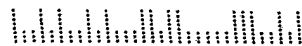
workers sought a return to the former condition. Therefore, the union will request that the authorities reestablish the institutions for control and protection of property, and Tolevski emphasizes that the transformation can be achieved only in this way. The union will soon seek a new parliamentary election because "the workers are not satisfied with the representatives." "It is not

correct that the syndicate does not have to be interested in the work of the parliament and the government," says Tolevski. "Everything that is connected with the workers' interests is a subject of interest for their organization. In conditions of agony of the workers, we cannot permit the parliament to discuss everything but the vital problems of the people."

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